Daily Report

East Europe

FBIS-EEU-90-251
Monday
31 December 1990

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NOTICE TO READERS: As of 2 January 1991, television sourcelines in the DAILY REPORT will reflect how a station identifies itself. In most cases, this change eliminates the "Television Service" designation in favor of the station identification as broadcast. The presence of a new television sourceline reflects this change in policy, rather than the establishment of a new station or network.

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5,000 Refugees Massing on Greek Border

AU3112102590 Paris AFP in English 1012 GMT 31 Dec 90

[Text] Yannina, Greece, Dec 31 (AFP)—Four hundred more Albanians fled across the border into Greece overnight and another 2,000 were expected to arrive throughout Monday, police here said.

An informed source said some 5,000 Albanians had massed along the border in hopes of crossing into Greece. Most of them were said to be ethnic Greeks from southern Albania.

The flight was apparently triggered by rumors that the Greek government planned to close the border with Albania as of January 1, though Greek Government Spokesman Byron Polydoras denied the report Sunday. He called on the Greek Albanians to stay in their country in "view of inevitable democratization there".

Nearly 1,000 Albanians secretly fled across the border on Sunday and reported to local Greek authorities in Thesprotias in the northwest. The exodus was the biggest through Albania's borders since hard-line communists took over in 1945.

Jews Allowed To Emigrate to Israel

AU3012150790 Paris AFP in English 1454 GMT 30 Dec 90

[Text] Tirana, Dec 30 (AFP) — The Albanian authorities have begun allowing Jews to leave Albania for the first time in 25 years and a family of 37 left here for Rome on Saturday [30 December].

Jewish families are being allowed to emigrate to Israel, apparently with the consent of President Ramiz Alia's communist regime, under a programme dubbed "Flying Carpet" run by Israel's Jewish Agency.

Members of the family who left Saturday and ranged in age from 18 months to 82 years told Agence Frence-Presse here before their flight to the Italian capital that they expected about 500 Jews to leave the country over the next two to three months.

Albania's Jewish community is estimated at less than 1,000 people.

Israel has carried out similar operations in Ethiopia and Yemen, but it was the first time news of the Albanian programme had emerged.

Opposition Rallies for Election Postponement

AU3012213290 Belgrade Domestic Service in Serbo-Croatian 2100 GMT 30 Dec 90

[Text] The Albanian opposition is planning to hold a series of rallies to demand that the government postpone parliamentary elections. This was announced by Genc Pollo, representative of the opposition Democratic Party, in an interview to REUTER.

[Word indistinct] elections scheduled for 10 February next year, the only Albanian opposition party at present assesses that there is not enough time until then for opposition forces to be set up and to compete with the ruling party on an equal footing.

Democratic Party Holds Rally in Elbasan

AU2912194690 Tirana Domestic Service in Albanian 1900 GMT 29 Dec 90

[Text] The Democratic Party organized a rally yesterday afternoon [28 Dec] in the square in front of the Labinot Stadium in the city of Elbasan on the occasion of the formation of a section of the Democratic Party in this district.

Petro Marku, the activist of this party for Elbasan, delivered the opening speech. He spoke, among other things, about the history of this city and its patriotic and education-loving traditions, and also the contribution of the city's people during the glorious epic of the National Liberation War. Members of the Initiating Council of the Democratic Party then spoke at the rally, praising the ancient traditions of the city of Elbasan, and stressing that they favor democratic methods to carry forward the country's progress and have nothing in common with the acts of hooligans which took place in this city. They also spoke about the goals of their party and the realization of the democratic aspirations of all the people, laying emphasis on certain directions in which this party will struggle for the country's development and progress.

Demonstrators Protest Alia Government

LD3012193190 Belgrade TANJUG Domestic Service in Serbo-Croatian 1850 GMT 30 Dec 90

[Text] Struga, 30 Dec (TANJUG)—More than 10,000 people demonstrated in the Albanian town of Korce today against President Ramiz Alia's government, calling for urgent and radical democratic changes, eyewitnesses told a TANJUG journalist.

According to the same source, a group of foreign citizens, demonstrations in support of the present regime have been held in a number of Albanian towns, but the eyewitnesses maintain that they are not spontaneous. The eyewitnesses also claim that strong public security forces are stationed near populated areas and that towns are still controlled by army and police patrols.

The Albanian authorities have repeated several times in the past two days that the situation in the country is stabilizing and that the democratic process is taking place normally.

Council of Ministers on Economic Performance

AU2812213890 Tirana Domestic Service in Albanian 1900 GMT 28 Dec 90

["From the Meeting of the Council of Ministers"]

[Text] At its 28 December meeting, the Council of Ministers examined problems on the fulfillment of this year's plan and

the draft plan and budget for 1991, after an extensive discussion about them carried out at the base.

With a strong sense of responsibility, the Council of Ministers dwelt on the principal current economic woes caused by this year's poor economic and financial results. It was stressed that, besides the negative influences of natural conditions on our country, especially in energy and agriculture, causing significant damage of more than $150 million to the country's hard currency balance of payments, shortcomings have been noticed in the working methods and management of ministries and other central institutions, in a slackening of work discipline etc., leading to a nonfulfillment of tasks in many sectors of the economy.

Examining the targets of the 1991 draft plan and draft budget, the Council of Ministers discussed the tasks facing economic organs at the center and the base to meet these targets and quickly overcome the exceptional situation in the economy. Special emphasis was placed on solving those problems connected with supplies to the people, ensuring the normal work of branches and sectors in production, speedily finalizing offers to extend all forms of foreign cooperation, and on the role of the financial and banking organs in regulating the market and strengthening economic and financial ties with foreign banks and firms.

The Council of Ministers observed that the organs of foreign trade have taken every measure and have secured the greater part of the people's supply of food, especially for the first three-month period, importing in time the necessary quantities of sugar, oil, rice, beans, powdered milk, meat, cheese, etc.

The necessary measures have been and are being taken to ensure the supply of the economy with raw materials and imported commodities such as cotton, chemicals, piping, etc., to ensure a smooth start to 1991.

With the arrival of tires, batteries, etc., transportation is also prepared to start the new year, on whose smooth running the fulfillment of tasks in other branches and sectors of the economy depends.

The Council of Ministers, after analyzing the economic and financial situation of the agricultural cooperatives in hilly and mountainous areas, made the decision to cancel the repayment of arrears in state credits to the amount of 540 million leks.

Instructions were given to all the ministries and other central institutions to take all measures to ensure the fulfillment of all the targets of the 1991 draft plan by the enterprises dependent on them, and to send the respective targets to the base with the aim of familiarizing collectives with them in order that they may start their tasks for 1991.

Debts of Highland Cooperatives Cancelled

AU3012161690 Tirana Domestic Service in Albanian 1430 GMT 30 Dec 90

["Important Preferential Measures Encouraging Agricultural Cooperatives"]

[Text] As has been reported, the Council of Ministers, at its meeting on 28 December 1990, examined the economic and financial results achieved in 1990 in all the agricultural cooperatives and especially those in hilly and mountainous areas.

Society's comprehensive support for the faster development of hilly and mountainous agricultural cooperatives has been and remains an important component of the agrarian policy of the Albanian Workers Party [AWP] and the state.

The Council of Ministers appreciated the fact that the credits given to these agricultural cooperatives for bringing new land under cultivation, improving the fertility of the land, increasing the area planted with fruit trees, increasing the number of livestock, etc. have been a vital and deserved support for the peasantry's labor and sweat.

The exploitation of these areas' economic resources has served and will serve to increase national wealth as a whole and to narrow by economic methods the gap between the towns and the countryside and between rural areas. The difficulties connected with the natural conditions the peasantry of these areas confront have been alleviated by their own contribution, but also with help from society.

On the basis of this assessment, the Council of Ministers made the most important decision at its most recent meeting to cancel all the arrears of credit and the regular (?payments) to clear hilly and mountainous agricultural cooperatives' long-term credits for 1990- 1995. The total benefit for these cooperatives from this necessary measure for their successful future work amounts to about 600 million leks.

In this way, and on the basis of other measures in connection with the new economic mechanism, specific and realistic possibilities have been created for these cooperatives to themselves meet the needs of expanded reproduction, obtaining from their own earnings the necessary accumulation to increase agricultural and livestock production, in order to increase the value of a working day, and to significantly improve the material and cultural level of their members' lives.

About 180 hilly and mountainous agricultural cooperatives in 19 districts of the country will benefit from this measure, thus creating conditions for immediately raising the present level of pay in these agricultural cooperatives by between three and five leks per working day, and by more than five leks per working day in some cooperatives in the districts of Mat, Diber, Kruje, etc. In this way, there will in general be no more agricultural

cooperatives paying less than 10 leks per working day. This measure will give a further incentive to the interest of cooperativists in adding to and administering the means of agricultural production, reinforcing their ties to their work and common property which remain the main pillar of the sound development of all rural life.

These measures are connected with all the work being done to act on the demands of the new economic mechanism and to deepen economic reforms. They give extensive opportunities to agricultural cooperatives to exploit the economic resources found on their land with more initiative and self-motivation and to rely more heavily on the results they achieve.

The Council of Ministers, also appreciating the social and political importance of these measures, expresses the full conviction that, like every other measure taken by the AWP for the democratization of the country's life, this decree will be properly appreciated by the entire people, and will prove a further incentive for the initiative of our patriotic and industrious peasantry. This will serve to further develop agriculture and the entire economy, guaranteeing the people's increased prosperity.

Council of Ministers' Media Decrees

AU2812204690 Tirana Domestic Service in Albanian 1900 GMT 28 Dec 90

[Text] The Council of Ministers has created a state commission headed by Comrade Alfred Uci, chairman of the Committee for Culture and the Arts, to draft a law on the press, radio, television, publishing, and other information media, to ensure their functioning on the basis of the standards of a law-governed state.

This draft law will be submitted to the People's Assembly at its next session.

Until the People's Assembly issues its decree, the Council of Ministers, on the basis of its authorities, has issued the following decrees:

Decree of the Council of Ministers on the appointment and competences of the general director of Albanian Radio and Television:

The Council of Ministers decrees:

1. The General Directorate of Radio and Television is a central institution and legal body, dependent on the Council of Ministers. It is managed by its general director.

2. The general director of Radio and Television is appointed by the Presidium of the Council of Ministers, and is accountable to it. It approves the regulations for its dependent institutions.

3. The general director of Radio and Television is directly responsible for the content of all the activities of this institution. It has the authority to appoint, transfer, and dismiss from work the directors of domestic radio, international radio, the television, radio stations, and other directors, as well as directors of radio in the districts.

4. The General Directorate of Radio and Television is entrusted with the task of drafting regulations on the activities of the Radio and Television and presenting them to the Council of Ministers for approval.

5. The dispositions in the Decree of the Council of Ministers No. 158 of 8 July 1974 on the regulations governing the General Directorate of the Radio and Television which are in opposition to the present decree, as well as all other dispositions, are annulled.

This decree goes into effect immediately.

[Signed] Adil Carcani, chairman of the Council of Ministers.

Decree of the Council of Ministers on the appointment and competences of the director of ATA:

The Council of Ministers decrees:

The Director of ATA is appointed by the Presidium of the Council of Ministers, directs and is directly responsible for the contents of all the activities of this institution, and has the authority to appoint, transfer, and dismiss from work the management personnel dependent on him, as well as other ATA staff.

This decree goes into effect immediately.

[Signed] Adil Carcani, chairman of the Council of Ministers.

Decree of the Council of Ministers on the press of political and social organizations and associations:

On the basis of Article 11 of Decree No. 7,442, dated 17 December 1990, on the creation of political organizations and associations, the Council of Ministers decrees:

1. Political and social organizations and associations, to exercise their press rights, may issue newspapers, magazines, or other publications. Permission for their issue is given by the Presidium of the Council of Ministers on the basis of these criteria:

Newspapers, magazines, or other publications will have a democratic and progressive spirit that serves to strengthen national unity, defend the homeland's freedom and independence, and encourage the development and progress of the economy and culture.

Newspapers, magazines, or other publications are not allowed to include articles of a fascist, racist, warmongering, or antinational character, or which stir up national hatred, or articles which call for the overthrow of the constitutional order in the People's Socialist Republic of Albania. Also, articles may not be published which call for terrorist and destabilizing acts, which encourage regional or religious divisions, affect the national dignity of the people, call for the interference of foreigners in the affairs of our country, exceed the rights

[words indistinct] national traditions, or reveal state secrets defined under the dispositions at present in force.

The Presidium of the Council of Ministers will not give permission for or will decide to close newspapers, magazines, and other publications when the demands laid down in the above regulations are violated.

2. Persons who act contrary to the regulations laid down in this decree will be held responsible under the legal dispositions in force.

3. The expenses for the publication of newspapers, magazines, and other publications of political and social organizations and associations will be met from their own incomes.

This decree comes into effect immediately.

[Signed] Adil Carcani, chairman of the Council of Ministers.

Decree of the Council of Ministers on permitting the publication of the newspaper RILINDJA DEMOKRATIKE [Democratic Rebirth]:

On the proposal of the Organizing Council of the Democratic Party of Albania, the Council of Ministers decrees:

1. The publication of the newspaper RILINDJA DEMOKRATIKE as the organ of the Democratic Party of Albania is permitted.

2. The Committee for Culture and the Arts in entrusted with the task of ensuring the necessary conditions for the publication of this newspaper under the dispositions in force.

This decree comes into effect immediately.

[Signed] Adil Carcani, chairman of the Council of Ministers.

Red Cross Official on Refugees in France, FRG

AU2412130990 Tirana ATA in English 1020 GMT 24 Dec 90

["Our Society Is Interested in the Well-Being of the Albanians Wherever They Are"—ATA headline]

[Text] Tirana, December 24 (ATA)—The League of the Red Cross and the Red Crescent associations organised some times ago a seminar on the refugees and asylum seekers, which was attended by the Red Cross associations of 17 European countries as well as invitees of other international organisations dealing with problems of the refugees. In this relation the newspaper "ZERI I POPULLIT" carries an interview of the chairman of the Presidency of the Albanian Red Cross Central Council, Ciril Pistoli, who said among others:

It is the first time that the Albanian Red Cross is faced with such problem as that of the refugees. Therefore we attended this seminar, because our society is interested for its people everywhere they are. In the talk we conducted with the delegation of the French Red Cross, the head of this delegation said that his association is trying to systemize those who have the conditions to assume the status of the refugee and as a result they might find work and dwelling house.

Whereas in the talk with the delegation of the German Red Cross we got informed that the problem of the Albanian refugees is being examined by the state representatives, but it will take three months more to solve this problem. We told them that some have forwarded to the Albanian Red Cross their demand to send their husbands or wives and children they have left in Albania. Both parties were of the opinion that only after they are acknowledged the status of the refugee and guaranteed work and shelter, the Albanian Red Cross might intervene to settle this problem.

DRITA Publishes Accounts of Stalin's Gulag

AU2412164490 Tirana International Service in German 1330 GMT 24 Dec 90

[Unattributed report: "From the Press Review"]

[Text] The newspaper DRITA reports on (?Jean Elainstein), historian and author of several works, including a history of Russia, a history of contemporary France in eight volemes, and a history of the Stalinist phemonenon. He is one of the most well-known historians. Several publications about the character of Stalin come from his pen. Karlo Stajner, in his book "Return From the Gulag," also investigates facts which testify to the persecutions of Stalinist state power. The newspaper DRITA publishes excerpts from (?Elainstein's) book "Stalin," published in 1984. Excerpts from Karlo Stajner's book are also published. The literary paper DRITA will draw the reader's attention to material of a similar nature in the future.

Popov Discusses New Cabinet, Ethnic Conflicts

AU2812141490 Hamburg DIE WELT in German 28 Dec 90 p 5

[Interview with Prime Minister Dimitur Popov by Alexander Andreew; place and date not given: "We would Like To Become Part of the European Family as Soon as Possible"; first paragraph is DIE WELT introduction]

[Text] On 19 December, Dimitur Popov, who has no party affiliation, presented the first Bulgarian cabinet consisting of Socialists (former communists) and opposition forces. The 63-year-old judge sees an opportunity now to overcome the polarization in his country. In foreign policy, he strives for an improvement of relations with Turkey, which have been burdened for years, he stated in a interview with DIE WELT. This is the first interview he has granted to a foreign newspaper.

[Andreew] Prime Minister, how do you assess the situation in Bulgaria?

[Popov] I believe that it is favorable. The political forces represented in parliament have adopted an extraordinarily remarkable agreement. The agreement provides the basis for the peaceful transition from a totalitarian system to a democratic state based on the rule of law. It is the first time the preconditions have been created for this since the changes on 10 November 1989. They are the outcome of the agreements concluded by the roundtable in the spring and of the first free elections in June, as a result of which the legitimate institutions of state power were formed—the office of the president and the constituent People's Assembly. The situation is completely different from 20 days ago. It allows favorable political and economic activities. The fact that representatives of the country's major political forces, which until recently pursued opposing goals, making joint activities seem inconceivable, are now cooperating in the government testifies to this.

[Andreew] Do you consider destabilization through extra-parliamentary forces likely? There have been rumors in the press about fresh demonstrations and strikes, as well as about the possibility that these demonstrations might be crushed, or that there might be a military coup.

[Popov] In my view, there is no danger of a military coup. The political situation does not suggest this possibility, and the forces represented in the Defense and Interior Ministries would not undertake such unreasonable actions in my view. The Defense Ministry is headed by people who are very dedicated to their homeland.

As far as the Interior Ministry is concerned, it is no longer what it used to be a few months ago. Radical changes have taken place there. About 45 generals were dismissed, the structures were reorganized, and the ministry was depoliticized. A politically neutral person heads the ministry now—Khristo Danov, a respected lawyer with democratic views and the strong will to carry out changes. We are eagerly awaiting the new police law, which will serve as a basis for the planned changes.

For the time being, two political forces will be represented in the Interior Ministry, in the persons of the two deputy ministers. I believe that this will be a guarantee against possible attempts to exploit the ministry for the goals of a particular party.

[Andreew] What is your position on the nationality issue and the conflicts in regions with different ethnic groups?

[Popov] Relations between citizens with a Turkish ethnic awareness and citizens with a Bulgarian ethnic awareness are characterized by social tensions in several regions. This is linked with the "rebirth process" (forceful introduction of Bulgarian names for Turks). I would like to point out explicitly that all citizens—without exception—including all citizens belonging to the Turkish ethnic group or citizens who have a Turkish awareness, must and will be granted equal rights in the political, economic, and legal sphere. This is part of my view of the world.

In this connection, the government and I, personally, will be guided by the principles stipulated in the Human Rights Charter. These principles are also included in the Bulgarian Constitution, which I greatly respect, as a representative of public life, as a lawyer, and as a citizen—not only as Bulgarian citizen, but as a citizen of the world.

At the same time, I must say that this part of the population must also contribute to calming the passions that have flared up. This does not only apply to members of the Turkish ethnic group, but also to all other ethnic groups, including the gypsies.

[Andreew] There has been talk that you share certain geopolitical views according to which Bulgaria is again to become the object of "trading" between the superpowers.

[Popov] If you put the question this way, you are interpreting my ideas in a rather peculiar way. From a geopolitical viewpoint, Bulgaria is located in the center of the Balkan peninsula. I think that this is an advantage because bridges can be built from Bulgaria to the Middle East, Western Europe, and the peoples in the Soviet Union. On the other hand, Bulgaria is part of Europe.

One thousand years ago, Prince Boris I, by taking over the Christian religion, linked Bulgaria closely with Byzantium, in political, religious, cultural, and economic terms. This turned out to be fateful for Bulgaria, because in this way, it remained part of Eastern Europe, or of western Asia, as others claim, which is the same for me, if one disregards the exact borders. The orthodox belief is a positive element in Bulgaria's history and determines our presence in this part of Europe.

At present Bulgaria is also one of the European peoples, and it belongs to the European culture. We have every reason to take advantage of this. Bulgaria now has the

opportunity of eliminating the border and the political term "Eastern Europe," particularly in view of the collapse of the structures of the Warsaw Pact and the removal of the Iron Curtain. We want to become part of the European family as soon as possible, and become a real member. Our presence in Europe will be one of the guarantees of peace in the Balkans and make possible the settlement of the nationality issue in its entirety in Bulgaria, because the European idea will push all ethnic contradictions to the background.

[Andreew] Relations with Turkey have recently come under increased discussion. The following views have been expressed: Turkey is Bulgaria's natural partner, and Turkey is Bulgaria's greatest enemy. In addition, Turkey has suggested the creation of an economic zone on the Black Sea.

[Popov] In my view, both countries are interested in expanding relations. I intend to pursue a policy aimed at establishing closer ties with Turkey in every respect. We maintain close contacts with Greece, and we have no problems with Romania. We must try to improve relations with Yugoslavia and get more deeply involved in the processes there.

The economic zone on the Black Sea is no more than an idea at this point. The countries located in this region could, of course, maintain special economic contacts. In my view, it would be wrong to orient Bulgaria's economy toward a single area.

[Andreew] Do you believe that Germany—a country with which Bulgaria was allied twice but at historically unfortunate times—could play an important role in Bulgaria's efforts to move closer to Europe?

[Popov] There is no doubt that Germany could play an important role here. Germany is not in a position now that would force it to forge alliances and fight against the rest of Europe. A few decades ago, Germany and Bulgaria were confronted with similar national issues, which led to our alliance. For Bulgaria Germany is a historical and traditional partner, which means that relations must be further expanded. I will be grateful if such an "alliance" between Bulgaria and Germany comes about.

[Andreew] You were elected as a neutral prime minister. Irrespective of this fact, do you favor a certain political force?

[Popov] I favor those forces in our political formations —which are not uniform but consist of many elements and groups—that advocate radical liberal convictions and a democratic orientation. I favor a modern philosophy of life, a market economy, parliamentary life, and democracy as the basis of public life. I would look for friends and allies in all parties. I have an advantage here: Since I am not affiliated with a specific party, it is possible for me to establish many and varied contacts with numerous political forces, while mainly supporting those who advocate democracy.

President Zhelev Holds New Year Reception

AU2912191590 Sofia Domestic Service in Bulgarian 1830 GMT 29 Dec 90

[Text] Today President Zhelyu Zhelev gave a cocktail party to mark the coming New Year. The occasion was attended by members of the government, the Bureau of the Grand National Assembly, leaders of the political parties and movements, the patriarch, the chief mufti, chairmen and leaders of creative workers unions, academies, and higher educational establishments, and leaders of the mass media.

The president of the Republic assessed the past year as a political one, and the next, as an economic year. He called upon all those present to support the work of the parliament and government in their efforts to implement the future reforms. Mr. Zhelev emphasized that the efforts of all the political parties, public organizations, and all the Bulgarian people are needed to put the reforms into practice.

Government Reviews Draft Laws at Last Session

AU2912211190 Sofia Domestic Service in Bulgarian 2030 GMT 29 Dec 90

[Text] Today the Council of Ministers held its last meeting of 1990. Ginyo Ganev, deputy chairman of the Grand National Assembly, acquainted the members of the government with the parliament's legislative initiatives. The Council of Ministers reviewed all the draft laws which have been submitted to date, and some changes in them will probably be required in the order in which they are submitted for discussion in parliament, in connection with the serious changes which have ensued in the state of the Bulgarian economy and with the new features which the government is following in its policy.

Aleksandur Tomov, deputy chairman of the Council of Ministers, briefed the government on the visit by the Bulgarian delegation to Moscow. It was pointed out that the results achieved create a possibility to resolve a number of problems which arise from the new forms of economic relations between Bulgaria and the Soviet Union.

The Council of Ministers examined a series of important draft decrees connected with the development of the economy in 1991 and the population's living standards.

During the New Year holiday, groups of experts will work on these draft documents so they will be ready for adoption at the very beginning of the new year.

Leading Political Figures View 1990 Developments

AU3012170990 Sofia BTA in English 1640 GMT 30 Dec 90

[Text] Sofia, 30 Dec (BTA)—BTA reporters have asked politicians of their opinions on the most important events in Bulgaria in 1990, on the blunders of the political forces, on the chances which have been missed

in the process of democratization, of the most prominent personalities and of the prospects of our development.

Dragomir Draganov, MP from the BSP [Bulgarian Socialist Party]: The most important event was that the economic reform was not started. This is a fact of exceptionally great negative, hopefully not fatal, consequences. The guilt lies with all political forces, with the parliament and with all parties. 1990 was the year of the new politicians. Many new figures have appeared on the political stage. But unfortunately they are all absolute amateurs in politics. The explanation that the totalitarian regime used to give a knock on the head of anyone who tried to work his way up is just too simple. It seems true that our political culture is extremely poor. I just hope that we will survive till spring. The agreement reached between the parliamentary political forces last week is unserious, it was a waste of time once again.

Filip Dimitrov, chairman of the Coordinational Committee of the UDF [Union of Democratic Forces—SDS]: The greatest event was the resignation of President Petur Mladenov. I expect 1991 to be a year of reason in Bulgarian political life. 1990 has left me somewhat disappointed, in spite of the hopes at the beginning. It was a year of passions. Half of the present Bulgarian politicians emerged all at once. Among them there stands out the President of the Republic Dr. Zhelyu Zhelev. The most outstanding of the young politicians is Stoyan Ganev, an MP of the UDF.

Solomon Pasi, MP from the Green Party, UDF: The most important events—the parliamentary elections and the election of Dr. Zhelyu Zhelev as president—are two steps in the same direction. All possibilities were used but some incredible chances were missed. The greatest blunder of the UDF was the removal of Andrey Lukanov as prime minister this brought the country on the verge of civil war. I foresee a temporary stabilization of the parliament. The next parliamentary elections should be held in May. Both the UDF and the BSP may split before these elections. The UDF is an unnatural coalition and it is unclear how long it can last. Within the coalition there is being formed a liberal bloc of "young" parties as a counterbalance to the Social Democrats and the "Nikola Petkov" Bulgaria Agrarian Party who have brought over their experience of 1946. The opposition parties outside the UDF do not constitute an important political force. Among the most prominent personalities of the year is Simeon II. Bulgaria should determine herself as a monarchy. Another prominent political figure of the year is President Zhelev.

Konstantin Adzharov, chairman of the extraparliamentary Christian Democratic Party: The event which had the most serious consequences is the removal of Lukanov as prime minister—we have retreated a year back—to the time of the "roundtable" talks. The lack of consensus between the political forces has become final. In August we missed the chance of forming a coalitional government. If the Communist Party is responsible for the crisis, the responsibility for the national catastrophe should not be pinned only on its successor—the Socialist Party. Many politicians emerged this year but many faded from the political scene as well. The present political forces do not have a tactical policy. If no strong personality appears, capable of shouldering the responsibility, chaos will determine the course of events. The national issue, which is being underestimated, will play an exceptionally important role.

Petur Beron, MP of the UDF, former leader of the UDF: the most important event were the parliamentary elections. Things followed their logical order: with these people, with this history.... Nothing more could be done in a year's time. The credit for the progress that has been achieved should go to the UDF. The very existence of an opposition coalition is a success, despite all its weaknesses. Each organization knows that outside the UDF it would be a political dwarf. But as a coalition the UDF is strong. The present government is transitional, but not weak. It will have to solve quite complicated problems.

Finance Minister on Government's Immediate Tasks

AU3012175590 Sofia BTA in English 1715 GMT 30 Dec 90

[Text] Sofia, 30 Dec (BTA)—After his first week as minister of finance Mr. Ivan Kostov feels like a character of a bad western, caught in the street, forced into a saloon and made to pay the score of spendthrift revelers.

In the course of ten months the two cabinets of Mr. Andrey Lukanov did nothing to put the state to order, Minister Kostov said on the Bulgarian Radio today. Until ten days ago he was the economic expert of the opposition Union of Democratic Forces.

According to him the greatest trouble is being caused by the nihilism spreading in this country and this is why the new government will take immediate measures for restoring order and governability.

In this country there are people who urge not to pay taxes. The law will be merciless in such cases, the minister of finance said.

The budget of the country should guarantee privatization and stop being an inflational factor. As early as mid-January the prices will be liberalized and the state will take measures for guaranteeing only those who are incapable of saving themselves. This will be a minimal social protection. Throughout 1991 the government will undertake to provide the country with the most necessary imported raw materials. The initial stage of privatization will start not later than the end of March.

According to Mr. Kostov, in absolutely all spheres work will have to start from nil, because in 1990 time was irresponsibly wasted.

The International Monetary Fund is expecting to receive a draft of the new budget by January 20. In order to keep

this time limit, as of January 2, the Ministry of Finance will proceed to a two-shift work regimen, Mr. Kostov said.

He did not venture to prognosticate the inflation rate in 1991. So far anti-inflation measures have never been introduced in Bulgaria.

According to Minister Kostov the former Prime Minister Lukanov had stated that he did not wish to become the Bulgarian Mieczyslaw Rakowski of 1988.

But we will do this job. We have nothing to lose. So far Bulgaria was a dishonestly governed country, he said.

Green Party Leaders Celebrate First Anniversary

AU2812162190 Sofia BTA in English 1442 GMT 28 Dec 90

[Text] Sofia, 28 Dec (BTA)—One year after its creation the Bulgarian Green Party determines itself as a party with a liberal platform and humanistic orientation.

We are situated in the center of political life, perhaps a little to the right, the party's vice president and leader of the opposition coalition Union of Democratic Forces Mr. Filip Dimitrov told the press today. The Bulgarian Green Party differs from the Greens of the West in paying attention not only to ecological but to social problems as well. Greens see their closest ally in the "Ecoglasnost" Movement from which they originate. Now they still find their separation into a party necessary because they want to apply their ideas in political power.

With the goodwill of other parties we could have had another government to which the political forces would have been strongly committed, said Mr. Aleksandur Karakachanov, leader of the Greens. He did not specify which the "other parties" were. The party's spokesman Mr. Kosyo Kosev said this government is not the best for Bulgaria at the present moment but the party would not stand in its way.

From the point of view of a would-be politician it was a blunder to participate in Dimitur Popov's cabinet but it would have been immoral to just look on when things in Bulgaria are getting so bad, Mr. Filip Dimitrov said.

Results of Opinion Poll on Political Preferences

AU2912191390 Sofia BTA in English 1828 GMT 29 Dec 90

[Text] Sofia, 29 Dec (BTA)—Of the political organizations in this country the opposition Union of Democratic Forces [UDF—SDS] enjoys the greatest confidence among the people, and of the publications the daily of the Socialist Party "DUMA." The presidential institution ranks first in the Bulgarians' value scale and President Zhelyu Zhelev himself is only 0.7 per cent ahead of the former prime minister, Andrey Lukanov (30.2 against 29.5 per cent).

These and other at first glance paradoxical data are the outcome of a public opinion poll conducted just before Christmas by "Gallup International" and the Bulgarian Research and Democracy Centre. They give grounds to conclude that the Bulgarian electors are unsure of their preferences.

Of the almost 1,000 respondents aged above 18 only three give their vote of confidence to the leaders of the two main political rivals—the UDF and the BSP [Bulgarian Socialist Party]. All three votes are for the leader of the Socialists Mr. Aleksandur Lilov. A possible conclusion: The leaderships of the two political groupings choose to be led by persons to act as "equalizers" whose main task is to keep these unstable political formations together.

The leader of the Social Democrats Dr. Petur Dertliev has won himself a stable third place without having occupied state posts or having been the leader of the opposition.

The poll has shown that "DUMA" has a two-point lead over the daily of the UDF, "DEMOKRATSIYA." The two dailies have no rivals because together they got more than half of the votes.

Confidence in the Presidency is typical among the followers of the UDF. The other respondents prefer the government, the Army and the parliament.

After the elections the superiority of the UDF has become obvious. The correlation is 50.8 for the UDF against 33.5 for the BSP.

But there are signs that the lead of the opposition is dwindling. It is very probable that the participation of the UDF in the government will step up this process.

If the elections were held before Christmas, 38.4 per cent of the respondents would have voted for the opposition against 21.9 for the Socialists. The Bulgarian Agrarian Party comes third with 11.8 per cent, followed by the Movement for Rights and Freedoms with 5.2 per cent.

A growing group 17.7 per cent, would not have voted.

The BSP has the least number of followers in the capital—8 per cent, and the greatest in the villages—40.6 per cent.

The electorate of the UDF is mainly in the large towns but there is also a trend towards an increase in the number of its followers in the smaller population centres as well.

The BSP has the greatest number of sympathizers among the 46-60 age bracket of the population and among the pensioners. With the exception of the pensioners the UDF leads in all age groups.

The women as a whole have greater trust in the Socialists. The UDF has a greater electorate among the male population.

The UDF leads in all the education groups with the exception of the group of respondents of elementary school education.

Disappointment in the present main political forces may lead to a mass acceptance of new political formations. Most probably these new formations will prove to be large parties now within the UDF—the Social Democratic Party and the "Nikola Petkov" Bulgarian Agrarian Party.

As regards the police files almost half of the respondents want all files in the secret services published. There are opponents—they want the publication only of the files of the deputies.

Only 7 per cent of the respondents propose that the files be destroyed without being opened.

Most of those who insist on the publication of all files are "Blue" i.e. followers of the opposition.

Democratic Youth Protests 'New Totalitarianism'

AU2912155690 Sofia MLADEZH in Bulgarian 27 Dec 90 p 1

[Protest declaration of the National Executive Council of Bulgarian Democratic Youth to the president of the Republic, the prime minister, chief prosecutor, and the Provisional Executive Committee of the Sapareva Banya Municipal People's Council; place and date not given]

[Text] The National Executive Council of Bulgarian Democratic Youth [BDM] is obliged and bound to address this declaration to the Bulgarian public at large, being motivated by concern over the appearance of a new totalitarianism. As citizens of the Republic of Bulgaria we cannot calmly stand by and watch the destruction of the tender shoots of the democracy of which we all dream.

In the view of the BDM National Executive Council it is not the province of state authority to control and direct a nonpolitical youth organization like ourselves. Many absurd acts have been committed in our time, and it is more than necessary for the supreme state leaderships to intervene by stating their own viewpoint in the strongest terms.

Recently two incidents occurred in different towns, in which the BDM was persecuted brutally and completely openly.

In the town of Varna, a school director prohibited the movement absolutely, while in the town of Sapareva Banya it was declared to be the number one state enemy.

Gentleman, does the BDM really lie outside the law? If so, what are the reasons, and who declared this?

For us, these cases represent symptoms of the disease. It is true that the BDM is an organization which is not to everyone's liking, but in our view this is no reason for it to be persecuted.

The BDM National Executive Council cannot allow the incompetence and personal ambitions of certain representatives of state authority to cast doubt on our organization.

Unless speedy measures are taken to bring these processes under control, we will consider ourselves obliged to inform our partners—the youth organizations of Europe—of the way in which the authorities in the Republic of Bulgaria are proceeding against a legal youth organization.

Drenchev Attacks 'Official' Agrarian Party

AU2912185490 Sofia VECHERNI NOVINI in Bulgarian 27 Dec 90 p 2

[Interview with Milan Drenchev, chairman of the "Nikola Petkov Bulgarian National Agrarian Union," by Simeon Danevski; place and date not given: "Let Us Be Knights of Honor and Justice"]

[Text] [Danevski] Mr. Drenchev, to accept an invitation to be interviewed by a left-wing daily like VECHERNI NOVINI involves you in a certain commitment. Is this not true?

[Drenchev] One may say that this is true to the extent that the "Nikola Petkov" Bulgarian National Agrarian Union ["Nikola Petkov" BZNS] is also a party of the left, if the term implies defending all strata of the population, which indeed we strive to do. We are a left-wing party, but have never claimed that anyone who disagrees with us should be destroyed. We are not a party of the center, because we have a clearly expressed position and ideology. We support democracy and are against extremes. However, if this defines us as members of the center, you may also call us a center party, but this is not a feature which defines the direction of a party. As for being a right-wing party, there is no question of that whatsoever.

[Danevski] What does the "Nikola Petkov" BZNS represent today, one year after it was restored?

[Drenchev] We call ourselves "Nikola Petkov" to distance ourselves from another party which also has the initials BZNS, but which has nothing in common with the Agrarian Union. They were created by the Communist Party [BCP] to eliminate our true organization, the leaders and many members of which were sent to the camps and prisons. They never mentioned that an agrarian ideology exists. They worked according to the BCP program and adopted its ideology. In return for this "service" they received all the benefits, like the communist leaders: jobs and trips abroad, holiday centers, vast apartments, and heaven knows what else.. They only had

to acclaim the leading party, that was all. They deafened everyone with their cries that they were the true agrarians, and called us traitors.

Yet now they are the severest critics of their former lords, to the extent that they still exist. However, they cannot deceive anyone. They are trying to conceal their traces of the past, as if the past never existed for them.

[Danevski] Does this mean that there can be no question of union between your two parties?

[Drenchev] Of course, for as long as this union is not based on the truth. You see, the other, orange BZNS, which until recently we called the "official" party, claims that it has rejected the BCP program, and this party no longer exists. Very well, since this is so, is it not then right for them to join us, and not for us to seek sanctuary with them? In their newspaper, at one time Nikola Petkov and G.M. Dimitrov were described as foreign agents and traitors. The same newspaper only a year ago published hymns of praise of all kinds on the party's leading role and on the friendship between the Agrarians and Communists. Now, these same people are writing differently. They write that Nikola Petkov was a hero. Then what does this make us, who never abandoned him, and who continued to support his ideas for decades, without fear of the camps and prisons? I do not mean to claim that Milan Drenchev is a hero. May God preserve me from this! It is a matter of telling the truth about the true Agrarians.

[Danevski] Here we encounter again the question of guilt and responsibility....

[Drenchev] It was our fault that we defended the agrarian ideology; the Bulgarian Socialist Party [BSP] admits now that this was a profound mistake, and accepts the responsibility insofar as it is the successor of the old Bulgarian Communist Party [BCP]. This is very telling. The other Agrarians should also accept their responsibility and guilt for what happened in the past because the old BCP was nonetheless our political opponent, and their behavior is at least understandable. However, how can one justify the conduct of those Agrarians who sold themselves...?

As for the BSP's responsibility, today, it is clear, and has already been accepted. This party is changing, albeit not as quickly as one would like. As for the question of guilt, this can only be the personal guilt of individuals. I see some Socialists who are sober thinkers and true democrats. For them totalitarianism is something that is finished with and can no longer return. They cannot bear the guilt. As far as the guilty ones are concerned, judicial and moral responsibility awaits them, and they must be made to bear this responsibility, for justice to triumph.

[Danevski] Does this mean that a time may come again when the Agrarians and Socialists may be united in a single electoral or government bloc?

[Drenchev] Oh, this is a very difficult question. Since I do not regard it as a provocation, I will give you an answer: If we consider matters in the abstract, then this may indeed happen, but in how many years I cannot say. It depends on time and circumstances, but why not?—The BSP will become (or at least should become!) a democratic left party, like us, and when our interests coincide, if reactionary forces take the upper hand and threaten democracy, then this may happen. Nevertheless, this is a matter of the distant future and, I repeat, a very abstract proposition for the present situation. Now, we should be taking a hard look at the present reality. This reality requires us to reach consensus in the name of Bulgaria so that both Bulgaria and we, as its children, should be happy.

Spokesman Comments on Zhivkov, Stoichkov Cases

AU2912170190 Sofia Domestic Service in Bulgarian 1600 GMT 29 Dec 90

[Text] Today Tsanko Apostolov, spokesman of the Chief Prosecutor's Office, issued a denial to a BTA reporter concerning rumors that the Supreme Court had returned the Todor Zhivkov case to the prosecutor's office and the investigation department. The case is with the Supreme Court, and it will decide when the trial will start, stated Mr. Apostolov.

The spokesman had few words to say about the other cases which have aroused public interest. He said that the case against Grigor Stoichkov will be submitted to the court before the end of January. On all the other cases, work is continuing, expert opinions are being sought, witnesses are being heard, and consultations are being held with specialists in different fields of science and practice.

Particular attention is being given to cases related to establishing the identities of the persons responsible for the ecological catastrophe and the economic crisis into which the country has been plunged. The same is true of the cases against former leaders concerning specific instances of criminal bad management, disadvantageous deals with foreign partners, and misuse of power for personal gain, Mr. Apostolov said.

Government, TU, Employers Restore Partnership

AU2912202390 Sofia Domestic Service in Bulgarian 2000 GMT 29 Dec 90

[Text] The government, the Union of Economic Leaders, and the Podkrepa Labor Confederation have agreed to withdraw all court suits brought against the participants in the preparations for and conduct of the nationwide strike from 26 to 29 November. This was specified in the agreement signed in Sofia today between the three parties which restores a normal social partnership on all trade union issues and matters concerning the nation's living standards—a partnership which was unilaterally suspended by the former government.

Sofia Council Decides To Remove Lenin Statue

AU2812190990 Sofia BTA in English 1825 GMT 28 Dec 90

[Text] Sofia, 28 Dec (BTA)—The Lenin monument in the centre of Sofia will be removed according to a decision of the Interim Executive Committee of the Sofia City Council.

The monument, a replica of many similar statues made by Soviet sculptor Lev Kerbel, was put up 25 years ago.

It was decided to preserve the statue "in an appropriate place" as evidence of monumental art from the time of totalitarianism.

The central station of the future Sofia underground railway system will be built on the site of the monument.

Sales of Fuel Oil for Heating Suspended

AU2912160690 Sofia DUMA in Bulgarian 27 Dec 90 p 1

[Dimitrana Aleksandrova report]

[Text] On 26 December Kupen Dimov, deputy general director of the Burgas Petrochemical Combine announced the suspension of the sale of naphtha for central heating, not because of the whim of the "Petroleum" Company, but owing to the lack of raw materials.

The company has received a telex from Gancho Nedelchev, general director of the "Neftokhim" Trust in Burgas, which informs their partners that difficulties have arisen again with the import of the raw material. Production is greatly reduced, and only minimum quantities of the fuel will be delivered.

In this situation the "Petroleum" Company cannot satisfy its customers' gasoline and fuel oil requirements. The trust is asking the people's councils to help in determining the priority customers. The trust already has lists of enterprises and organizations which perform essential activities and which must be given priority, but there are omissions in these lists.

"As far as heating naphtha is concerned, this is the same as the diesel fuel used by city transport vehicles. In my view, special quotas should be fixed for the population, according to the quantities available," said Mr. Dimov.

The management of the "Petroleum" Company will issue an order to its divisions to bear in mind the priorities agreed with the people's councils. This order will probably come into force on 1 January.

Despite negotiations at the highest level, it still is not clear how much petroleum we can count on receiving from the USSR at the start of next year.

According to a well-informed source, Aleksandur Tomov, deputy chairman of the Council of Ministers is leaving for Moscow today to hold new talks on the petroleum deliveries.

Gasoline, Diesel Shortage Continues in Sofia

AU2912160090 Sofia VECHERNI NOVINI in Bulgarian 27 Dec 90 p 1

[Text] Despite the fact that the gas stations are open for private motorists, many citizens complain that they have not received even half the amounts to which their gas coupons entitle them. Kupen Dimov, deputy general director of the "Petroleum" Company, informed us about the gasoline supplies situation as follows:

"At the moment the Burgas Petrochemical Combine is processing less than 30 percent of the required quantities. For this reason, instead of the 5,000 tonnes which is the normal daily level of consumption in the country, a maximum of 1,200 tonnes is being produced. This situation naturally effects deliveries to the capital, which have been greatly reduced in the past few days."

All those who expected to place orders for diesel fuel for heating, according to the advance announcement, will also be disappointed. The "Fuel and Building Materials" Enterprise in Sofia has been obliged not to keep to the date announced, because deliveries from the "Petroleum" Company have stopped.

Sofia Council To Introduce Ration Books 1 Feb

AU2912154390 Sofia BTA in English 1420 GMT 29 Dec 90

[Text] Sofia, 29 Dec (BTA)—As of February 1, 1991, Sofianites will buy up to 20 staple commodities and washing powder by means of consumer booklets. This decision was taken last night by the Provisional Executive Committee of the Sofia City Council.

The consumer booklets will have the names of their owners written on them and by presenting them the citizens of Sofia will be able to buy goods for all members of their household. The booklets of children under three years of age and those of ailing people will be of a special colour. With these booklets the citizens of Sofia will be able to go shopping only in their municipality and in shops fixed by the municipal People's Council.

The new rationing system does not exclude the possibility for a parallel existence of food shops of companies and producers selling at free-market prices.

According to experts the introduction of consumer booklets is at present the only way for a just distribution of foodstuffs among the Sofianites, for reducing the queues and for restricting the black market.

The Sofia City Council will allocate 50 million leva of its budget for 1991 for paying premiums to the producers throughout the country above the purchase prices in

order to guarantee the contracts for deliveries of meat and meat products, poultry meat and milk and milk products.

Prices Increase 47 Percent Between May, Nov

AU2812112590 Sofia BTA in English 0957 GMT 28 Dec 90

[Text] Sofia, 28 Dec (BTA)—Citing the Central Statistical Department, DUMA informs that from May to November prices in Bulgaria have gone up by an average of 46.9 percent. The prices of foodstuffs have increased by 30.4 percent, those of services by 21.9 percent and the prices of other goods by 54.4 percent.

The price of honey has marked the greatest rise among foodstuffs— 3.5-fold, followed by fish and fish products. Next come sugar products, confectionery, tinned vegetables and wine.

The state prices of meat, cheese and eggs have not been changed but these products are sold at free prices in the cooperative markets and private shops.

As far as other goods are concerned, the prices of carpets, flooring and sheets have gone up more than two-fold, leatherwear by 92.5 percent, woolen fabrics by 95.7 percent, silk fabrics by 72.9 percent, cotton fabrics by 45.4 percent, footwear by 26.3 percent, perfume and cosmetics by 74.6 percent.

Housing rents and taxi fees marked the biggest increase in the prices of services—more than two-fold.

The cost of living in November was 36.4 percent higher than in May. August saw the greatest leap in prices—11 percent compared to July. Since then the tendency towards higher prices has leveled out to about 4.5 percent.

Industry Minister Hopes To Halt Stagnation

AU2912171290 Sofia BTA in English 1555 GMT 29 Dec 90

[Text] Sofia, 29 Dec (BTA)—Our team is resolute to introduce all measures necessary for changing the economic system. If things go well we hope to stop the process of stagnation by the end of 1991, Mr. Ivan Pushkarov, minister of industry, trade and services, said at a press conference today.

The structure of the new ministry is not the result of a mere merging but an expression of a new economic ideology and of a transition from ruling to regulating the economy, Mr. Pushkarov said. He believes that at present the main task is to assist private and small producers with raw materials because they are the only bearers of production capital and could neutralize some consequences of the economic reform, such as unemployment, for instance.

Answering a question, Minister Pushkarov said that the former Ministry of Economy and Planning has been liquidated and most probably an economic development agency will be set up which will only have the function of indicating and observing and will elaborate the macroeconomic rates and national balances.

According to Mr. Pushkarov an important condition for overcoming the crisis is Bulgaria's inclusion in the international financial community and the first step in this direction will be the elaboration of an agreement with the International Monetary Fund. Representatives of the fund will arrive in Bulgaria on January 9. The signing of such an agreement would make it possible to start negotiations on the extension of Bulgaria's foreign debt payments.

Answering a question, Mr. Pushkarov stressed that in the conditions of the economic catastrophe it is impossible to guarantee a high social level of the reform. We are faced with the threat of a disintegration of the state and we have to shrink the budget in order to secure its basic functions, he said, stressing that consumption reduction is the condition put by the International Monetary Fund for assisting Bulgaria.

Bank To Stop Quoting Various Foreign Currencies

AU2912191790 Sofia BTA in English 1853 GMT 29 Dec 90

[Text] Sofia, 29 Dec (BTA)—As of January 1, 1991 the Bulgarian National Bank will stop the quotation in leva of the Kuwaiti dinar, of the Iraqi dinar, of the Syrian pound and of the Yugoslav dinar and will exclude them from the currency bulletin of the bank.

The incidence of exchange of the Kuwaiti dinar, Iraqi dinar and the Syrian pound is insignificant and since August this year, in connection with the military and political situation in the Middle East, the exchange of the first two currencies has ceased in the international currency markets.

The stopping of the quotation of the Yugoslav dinar stems from the difficulties and the risks in the realization of the Yugoslav dinars purchased by the Bulgarian National Bank due to the limited internal convertibility of the Yugoslav currency only for Yugoslav residents combined with the obligatory exchange of 200 U.S. dollars for dinars introduced by the Yugoslav authorities for East European tourists and the renewed process of inflation devaluation of the Yugoslav dinar.

Reasons Behind Shevardnadze Resignation Pondered

AU2712151990 Sofia POGLED in Bulgarian No. 52, 24 Dec 90 p 6

[Dyanko Shishkov article: "A Trick by Gorbachev or... a Trick Against Gorbachev?"]

[Text] When Academician Likhachev, the patriarch of the USSR people's deputies begged the foreign minister to not abandon the ship of "perestroyka" this was much

more than a courtesy gesture. With his keen sense of realism the old academician sensed that something terrible might happen.

Shevardnadze himself called the evil by name, even though he expressed confidence that "dictatorship will have no dominion...." Nevertheless, what were the causes of this shocking step on the part of Gorbachev's foreign minister? It would be irresponsible to cite some ruffled pique caused by the statements of two rude colonels. However, we cannot conceal the essence of the matter—Eduard Amvrosiyevich, the kindly smiling first diplomat of perestroyka, probably became the victim of the conservative forces in the apparatus, before which even Gorbachev himself is helpless....

Foreign policy provided the most tangible and visible results of restructuring. At least, this is what people thought until a year or two ago. However, the events in Eastern Europe, the processes of democratization, and the actual detachment of the former socialist countries from the USSR inserted the first "black entries" in the diplomatic file of Gorbachev and Shevardnadze. Certain people, especially some generals and members of the ideological guard, educated by Suslov, simply could not grasp the fact that the unification of Germany was not the result of the will of a certain political figure, but rather the result of an objective process. They also could not understand that the artificial preservation of the buffer zone separating the USSR from Western Europe (and it was the socialist countries that fulfilled this role) has no place in Gorbachev's most precious brainchild—his idea about the common European home. This was the reason for the higher military commanders to draw their old cavalry swords and begin an intensive propaganda attack against the president's foreign policy. Naturally, it affected the foreign minister most painfully.

I cite this example, but I think that it contains a riddle that remains wrapped in mystery. Is Gorbachev sacrificing his diplomat in order to check the zeal and sharp criticism of his generals? This suspicion is strengthened by his efforts to expand presidential power. This cannot happen without the indirect assistance of the generals....

There is an additional essential reason that could explain Shevardnadze's behavior. Indeed, the drama of perestroyka is taking place on two stages—the domestic and the international. It is becoming increasingly difficult to separate them. It is very difficult to stimulate active diplomacy on the basis of the still miserable economy. This explains the low profile recently maintained by the USSR foreign minister. Shevardnadze of today is not the Shevardnadze of Geneva and Reykjavik....

Observers, at least until now, have not cited any other reason for the foreign minister's resignation, which is probably of a personal nature. We do not mean some quarrel between him and Gorbachev, but something completely different. The noisily proclaimed decision of the new Georgian parliament to leave the union is well known. Indeed, the Georgian Communist Party has already left the CPSU. Those developments actually turned the Soviet foreign minister into a political emigrant. Being familiar with the power of Georgian traditions, I would not be surprised if this influenced the behavior of Shevardnadze the Georgian, rather than Shevardnadze the politician....

Nevertheless, despite the developments, one question remains open: Who has gained from this serious development? Perhaps Gorbachev in his striving to strengthen presidential power? Perhaps Eduard Amvrosiyevich himself? It would be sad if the military and the conservatives were to be the only winners....

Turkish Journalist: Antonov Innocent of Attack

AU2912163690 Sofia BTA in English 1521 GMT 29 Dec 90

[Text] Sofia, 29 Dec (BTA)—The Turkish journalist Ugur Mumcu, known for his publications on the attempt on the life of Pope John Paul II, asserts now that the Bulgarian citizen Sergey Antonov, accused of complicity in the attempt, is innocent. He is of the opinion that Antonov was drawn into a much greater plot because of his, to put it mildly, naivete.

In an interview for "OTECHESTVEN VESTNIK" published today, the Turkish journalist maintains that the assailant Agca was in close contacts with the Turkish special services and that the whole frame-up against Antonov was a result of Bulgaria's participation in trade in weapons and drugs.

Mr. Ugur Mumcu gives a positive answer to the question about a possible connection between Antonov's involvement in the attempt by the CIA and other interested organizations, including SISMI [Turkish Secret Service] and the KGB, and the striving to exclude Bulgaria from the exceptionally profitable arms and drugs business.

"We should not forget that the Soviet Union is one of the greatest deliverers of weapons in the world. It also has to struggle for its positions in the market," the Turkish journalist points out.

Who stood behind the attempt? According to Mumcu mainly the Islam fundamentalists who have numerous terrorist organizations at their disposal, customers of Bulgarian weapons. The attempt itself was to show these organizations that the weapons deliverers, i.e. Bulgaria, support their cause. But I am convinced that the Bulgarian State Security Committee was not aware of this operation elaborated by Oral Celik (he is now serving a sentence in a Paris prison,) the Turkish journalist stresses.

According to Mumcu, Celik was also one of the organizers of the arms and drugs operations. As regards the connection between the Turkish secret services and the State Security Committee, it was realized by means of Abuzar Urlu, associated with the Turkish criminal

world. According to the Turkish journalist Urlu still owns a summer house near the Bulgarian capital.

Mumcu is of the opinion that facts and proofs of the participation of the CIA in the frame-up of the involvement of Antonov in the attempt can be found only in the CIA archives. He also explains that some coincidences may also point to such a connection. Thus, for instance, a priest, who was recently discovered to be a CIA agent, lived one floor above Antonov's flat in Rome. Antonov's lawyer was also the chief lawyer of the U.S. Embassy in the Italian capital as well as the lawyer of a high-ranking Italian general fired from SISMI because of his connections with the Mafia.

Tomov Returns; Reports Successful Moscow Talks

AU2912194890 Sofia BTA in English 1915 GMT 29 Dec 90

[Text] Sofia, 29 Dec (BTA)—Bulgaria will receive 6.5 million tons of Soviet petrol in 1991 against deliveries of machines, electronic equipment, foodstuffs, medicines and turn-key projects.

This was what the BTA was told by Mr. Aleksandur Tomov, deputy chairman of the Council of Ministers, who returned today from his visit to Moscow where an agreement on payments and an agreement on trade and economic relations were signed between Bulgaria and the USSR for next year.

Mr. Tomov described as "a tremendous success for Bulgaria" the agreement reached for a clearing settlement of a part of the centralized deliveries on an interstate basis. He observed that this agreement will guarantee the Bulgarian economy vitally important raw materials and other goods and will thus create a basis for a quick start towards a market economy in Bulgaria.

Bulgaria's deputy prime minister gave a high assessment to the constructive approach and understanding shown by Moscow for the extremely grave problems facing the Bulgarian economy. It is a gesture of goodwill, highly appreciated by Bulgaria, made at a moment when the Soviet Union itself is experiencing serious economic difficulties.

The documents which have been signed confirm the transition to payments in freely convertible currency between Bulgaria and the USSR as of January 1, 1991. The prices of the "clearing" centralized deliveries will also be formed on the basis of the current international prices. Bulgaria will pay through clearing half of the price of the large turn-key projects delivered from the USSR as well.

The expenditures for the education of Bulgarian students at Soviet universities as well as other non-commodity payments (with the exception of the inter-state ones—maintenance of diplomatic representations, etc.) will be excluded from the dollar payments.

Mr. Tomov informed of the results of his visit to the Soviet Union at a session of the Council of Ministers held here today which discussed key problems of the stabilization of the economy of the country and the transition to a market economy.

Agreement Signed on Tractor Plant With USSR

AU2912161190 Sofia DUMA in Bulgarian 25 Dec 90 p 1

[Iliya Borisov report]

[Text] An agreement was signed in Varna to set up a joint Soviet-Bulgarian enterprise "Metatraktor" with the participation of the "Metakom" Company and the Ukrainian "Karpatagromash" Plant in Ivanovo Frankovsk. The enterprise is to produce small tractors with 12 horsepower motors.

Next year the enterprise will produce 500 tractors, and by 1995 production is expected to rise to 5,000 a year. On the Bulgarian side the following companies are taking part in the joint venture: the "Metakom-Motor" Enterprise and the "Veslets" Cast Iron Combine in Varna, the "Modul" Machine-Building Plant in the town of Byala, the "Hammer and Sickle" Plant in Stara Zagora, and others.

Calfa Recounts 1990 Triumphs, Failures

LD2912010490

[Editorial Report] Prague Television Service in Czech at 1850 GMT on 28 December carries its regularly scheduled "Ten Minutes With the Prime Minister" program, consisting of an 11-minute interview with CSFR Prime Minister Marian Calfa by an unidentified repor at the Horal Hotel, in the Krkonose Mountains. Date not given; live or recorded.

Asked about his feelings when he was appointed prime minister of the CSFR Federal Government, Calfa points out that he has always been an optimist despite difficult tasks facing him. Asked what he considers successes during a year as prime minister, Calfa notes that elections took place and a new structure of freely elected bodies was established. Another success was the opejning of our borders: Czechoslovaks travel abroad, and tourists visit Czechoslovakia.

The government's fundamental task was to prepare a blueprint of economic reform which was approved by the Federal Assembly. This reform has been under way for six months now. Summing up, Calfa says the principal tasks the government set for itself at the beginning of this year were fulfilled.

Asked about failings during this period, Calfa says: "We are just people; therefore, we commit mistakes as all people do in the course of their work, especially when, in fact, a unique maneuver is being undertaken of restructuring an entire state into something of an entirely different quality. When looking back, I think we have made one principal mistake: the election system we chose. I am simply unable to identify with it. We chose a proportional representation, a proportional election system. It seems this system provokes a certain disillusion because it allows for people to be nominated by political parties who are unknown to the electorate and to enter our political life. People are getting to know them only when they are already working in the political field: Some show they are good, while some are less good. I think our people are prepared to give their vote of confidence to the people they know, they trust, in cases when a relationship exists between people and their representatives. I think, in fact, that this is our prospect for the future. This is where I think we failed."

Asked about his view on the phenomenon of radicalism in Czechoslovak society, Calfa says: "This is, in a way, linked to what I just said because, unfortunately, in the second half of the year, partly because of the election system we chose, such people entered our political life who were nominated just by political parties. On the contrary, various political parties did not manage to enter our political life because of failing the election quorum. In my view, it is a pity. Nevertheless, there is a need to say one thing: Czechoslovakia is a patient who is very seriously ill and has to be treated in some way. That is why probably neither a slow method nor a quick method—which you called a radical method—is right here. I think it is necessary to find some kind of truly objective course of action for Czechoslovakia. I think this is, in fact, the course of action we chose, the method chosen by the government, the one that was also approved by the parliament. Everything else is an extreme, and every extreme is more likely damaging than helping."

Asked if he fears the future, if he fears that he might be blamed for something worse than the disgraceful heritage of the communist regime, Calfa says he has, of course, moments of doubt if everything is always done the best way. He stresses that our entire economic reform can be carried out only if the hitherto existing trust between people and their representatives is preserved. He goes on to point out: "If such a sense of common purpose disappears, then shortcomings can really happen; distrust can emerge; such things can take place, and, understandably, a situation of a certain instability can emerge. Nevertheless, I can tell you, if it is not us in our posts then others who would succeed us would have to take the same steps we are taking because simply there is no other way."

Calfa concludes by thanking people for all the letters he and other members of the government receive and promises to try not to disappoint people who trust them.

Finance Ministry Issues 1991 Economic Forecast

LD2812213790 Prague CTK in English 2037 GMT 28 Dec 90

[Text] Prague Dec 28 (CTK)—The Czechoslovak Finance Ministry made public here today the second information for enterprises on economic terms in 1991.

The document updates and further specifies the first document issued last October.

According to the second document, economic growth will decrease in 1991 by about five per cent, but a bigger decline cannot be ruled out if more unfavourable circumstances combine.

Unemployment is expected not to exceed 300,000 to 400,000 people, i.e. four to five per cent of the work force.

Prices will go up by about 30 per cent, while the rise will not be even. It will be quicker in the first three months of next year, but limited demand should markedly slow down further increase to five to ten per cent in the following months, according to the document.

The development of the balance of trade, or payments will be influenced to a decisive measure by the development of oil prices. The deficit of the balance of payments current account is expected not to surpass 2,500 million dollars and it will be covered by foreign credits. Moreover, Czechoslovak foreign currency reserves will have to be strengthened as a precondition for introduction of the crown's internal convertibility.

Federal Police Established; Structure Explained

AU2812201690 Prague ZEMEDELSKE NOVINY in Czech 22 Dec 90 p 2

["(imj)"-signed report: "Federal Police"]

[Text] Jan Ruml, CSFR first deputy interior minister, introduced Lieutenant Colonel Frantisek Maryska, LLD, new chief of the Federal Police, to journalists yesterday. The sphere of competence of the Federal Police comprises primarily criminal activity transcending state boundaries, and narcotics smuggling and trafficking, and counterfeiting money and securities. At the same time the Federal Police cooperates with Interpol and thereby partakes in the struggle against international crime. The central office of the Federal Police is subdivided into the Criminal Service; the Criminology Institute, which is engaged in experts' appraisals; and the so-called Information Administration, which is in charge of maintaining the central population register and of keeping the files of wanted persons and perpetrators. The Federal Police will maintain outlying offices throughout the republic.

[Prague PRACE in Czech on 22 December on page 2 carries a 150-word "(ipo)"-signed report on the above news conference. The report mentions that the Federal Police, which was set up on 15 November 1990, has a staff of 450 people "for the time being," 25 of whom are screened former members of the State Security Corps.]

'Messengers of Searching' Group Emerges

LD2812214790 Prague Domestic Service in Slovak 1600 GMT 28 Dec 90

[Text] An illegal fanatic organization calling itself Messengers of Searching [poslovia hladania] is active in an unspecified area near Usti nad Labem. Allegedly, after several years of activity it has now disclosed its existence through Josef Formanek, editor of the NORTH BOHEMIAN DAILY, who was invited to be one of its members.

The main core of the organization's activity lies in a wide concept of the good, for which they want to strive, even if through the evil. Their philosophy contains elements of oriental teachings. Allegedly, they want to help the president if possible difficulties arise.

This mysterious organization possesses not only its own uniforms, code, religion, and carries out bloody rituals, but it also possesses [word indistinct] weapons. Editor Formanek confirmed that he saw basic armament and equipment as well. Members of the Messengers of Searching are about 20 young people. The whole matter will be described in details in the NORTH BOHEMIAN DAILY and the first 1991 issue of the REFLEX magazine.

Opinion Poll Reflects Public's 'Bewilderment'

AU2812183090 Prague MLADA FRONTA DNES in Czech 22 Dec 90 p 7

["(tma)"-signed report: "Bewildered Citizens"]

[Text] About 21 percent of Czechs and Slovaks do not know what to think about the outcome of local elections. This follows from the results of a poll conducted by the Institute for Public Opinion Research that were published in Prague yesterday. Compared with the parliamentary elections, the number of people who are dissatisfied with the outcome of the local elections is somewhat higher. The poll results appear to reflect the gradually growing discontent of citizens with the pace of political and economic changes in the country and the bewilderment over social development connected with it. This is also confirmed by people's views on the possibility of a general improvement of the situation at their place of residence. A total of 24 percent of citizens of the Slovak Republic and 13 percent of citizens of the Czech Republic expect the situation to get worse. According to 40 percent of the people living in Bohemia, Moravia, and Silesia, the situation will improve in the course of the year. In Slovakia, on the other hand, only 28 percent of people believe in a favorable development.

Iraqi Ambassador Comments on Persian Gulf Crisis

AU2812161990 Bratislava PRAVDA in Slovak 27 Dec 90 pp 1, 4

["Excerpts" from an interview with Iraqi Ambassador Mundhir Ahmad al-Mutlaq by Julius Loerincz; place and date not given: "There Still is Hope in the Dialogue Between Iraq and the United States; There is No Master and Slave Relationship"—first paragraph is PRAVDA introduction]

[Text] Mr. Mundhir Ahmad al-Mutlaq, ambassador of Iraq, granted our newspaper an extensive interview. Today, we publish substantial excerpts.

[Loerincz] Let us begin with the American-Iraqi dialogue issue. Various dates have been mentioned for the meeting and the significance of the meeting has been stressed, yet, time flows, and nothing seems to be happening. Will the dialogue take place?

[Al-Mutlaq] What is the fundamental problem between us and the United States regarding the dialogue? Is it we who wage war against America? Do we have common borders along which we have some disputes? What does America really want? To protect human rights? Are there not enough countries in the world where they really are violated?! Is it that Washington wants to protect oil? After all, we sell it to anybody interested and at a low price. Have you ever considered the fact that a barrel of oil (159 liters) is cheaper than the same quantity of mineral water in any European country? So, what kind of problem is there between the United States and Iraq?

[Loerincz] The American side says that what they are trying to achieve is for Iraq to comply with the UN Security Council resolution on the Iraqi occupation of Kuwait. They are concerned with the right of Kuwait.

[Al-Mutlaq] Good, let us theoretically suppose that the United States is right in its claim that we did not obey the decision of the Security Council. How about the United States itself? Has it obeyed all UN resolutions and does it consistently comply with them? Let us look at the matters from another point of view: Did the international community entrust the United States with the task to defend and enforce the UN Security Council resolutions? No, it did not. One would expect UN General Secretary Javier Perez de Cuellar to discuss compliance with the international laws.

[Loerincz] Does it mean that Iraq is ready for talks with him?

[Al-Mutlaq] Of course. We are ready to talk with him, but we are also willing to enter a dialogue with the United States. I did not bring up the problems and questions mentioned in the introduction because we refuse such a dialogue but to make the Czechoslovak public think about the reasons for the presence of the United States in our region. Is the United States, perhaps, the policeman of the whole world? It threatens and intimidates the big and the small, and corrupts them to obtain UN Security Council resolutions corresponding to its concepts. And those who sent their armed forces to the Arab Peninsula have let themselves be corrupted by the United States. I will mention, for instance, the reduction of the Egyptian debt or the termination of the blockade of Syria, which until recently was denoted in Washington as a terrorist state. Following the "dropping out" of the Soviet Union, the United States began to feel and demonstrate a great acquisitiveness. It reminds me of a line of thought employed by others in the past, who thought themselves to be very strong and powerful but, as we know, they were wrong. They caused tremendous damages to many nations.

[Loerincz] Do you mean the colonial powers?

[Al-Mutlaq] Not only them but, for instance, Hitler, who thought that he could rule the world and failed miserably.

I would be very unhappy if nations, including the United States, have to pay for the lapses of the Bush administration. Although it managed to persuade the UN Security Council, it did not gain the support of its own parliament, i.e., the U.S. Congress.

[Loerincz] Does any chance remain of talks with the United States?

[Al-Mutlaq] Yes, after all, we agreed to the proposal of the American administration of realizing an Iraqi-American governmental meeting. Our foreign minister was invited to the United States on the date decided upon by the American side. We accepted Bush's opinion regarding the date of Tariq 'Aziz's visit to Washington. It logically follows that James Baker should go to Baghdad on the date convenient to our president. However, Americans rejected this principle. The cooperation in dealing with such questions must be balanced and based on equal rights. In this respect, it is impossible to deal according to the principle of "a master and his slave." That is not a way to lead a dialogue.

[Loerincz] The United States claim that they proposed 15 dates for the meeting.

[Al-Mutlaq] That is not true. It originally proposed basically two dates, two time periods for talks in Baghdad: in December around 20th, i.e., only days after that date, and then 3 January. We proposed 12 January.

[Loerincz] Is an Arab solution still possible in the region, an Arab contribution to the conclusion of the Persian Gulf crisis?

[Al-Mutlaq] As long as American armed forces, which constantly increase in number, are present in the region, and considering the pressure on other countries to increase their military presence, I feel that an Arab solution has become very difficult. It is connected with the fact that the United States wants to control the most important sources of oil. The United States originally claimed that they would come to the region to protect Saudi Arabia against Iraqi aggression, despite their knowledge that we have never intended to attack that country. Then, they changed their arguments and declared that they must force Iraq to leave Kuwait. Now we can hear additional songs, with which the Americans announce their intention to stay. Hence, the goals are different and based above all on their own economic problems and interests.

[Loerincz] Can you be more specific?

[Al-Mutlaq] The United States faced the threat of communism for a long time. To a certain degree, this helped the West stick together, but now, when the USSR has "disappeared from the scene", the competition between individual Western countries is beginning to play a more important role. How to retain the leading role in this situation? How to control Europe and Japan? The United States needs to control the regions in which there is one of the most important raw materials and from which Japan, and Europe as well, imports crude oil to satisfy the bulk of their needs.

[Loerincz] An enormous destructive military power accumulated in the Persian Gulf region. Very often people point out that Iraq owns chemical weapons and, allegedly, works on nuclear weapons....

[Al-Mutlaq] First, as far as nuclear weapons are concerned, this statement does not fit the facts. We have signed the Vienna Convention and, as a consequence, a group of international experts from the International Agency for Nuclear Energy comes regularly to our country to check upon our nuclear program and they can see that we are not developing nuclear weapons. There

are countries in this region, however, which do not proceed in this manner and no one speaks of them. Second, Iraq does not only agree, but it has even proposed that all the weapons of mass destruction be destroyed, including chemical weapons. Why does no one pay attention to this proposal, why does no one want to accept this proposal?

What kind of justice is it if some countries own all sorts of weapons of mass destruction, while other countries are waiting like slaves to see if their master will reach for a stick and hit them over the head? The United States and its allies should realize that they would be in a difficult situation if war breaks out. Americans would lose their profits in this region for ever. Only peace, based on equality, may serve to their benefit. The Arab people see Iraq as a torch enlightening the road toward liberation.

[Loerincz] Do you believe then that no one in the Arab world sympathizes with Kuwait?

[Al-Mutlaq] Kuwaiti rulers were, in principle, the tool of American policy. A man who owns 60 billion dollars and 70 wives cannot serve the interests of Islam and Arab people—this man damaged their reputation. To what purpose is the Kuwaiti money used in Western banks while there are millions of hungry people? Is the money not used for assisting Israel's policy which proclaims occupation and annexation of Arab land, and settlement of Israelis on Arab land?

Yes, if there were no U.S. military force in this region, then there would be someone saying: My brother, what has happened should not have happened, you should not have done it, this should have been done on the basis of negotiations. In such a situation, we would probably be able to find someone who would not sympathize with Iraq. But, in the fight between Arabs and enemies of Arabs, or non-Arabs, Arab people sympathize with Iraq.

[Loerincz] What about crude oil? Will other nations have the possibility to acquire this raw material? Two-thirds of crude oil comes from the Middle East region.

[Al-Mutlaq] It is not in the interests of our countries, and in the interests of the progress in the world, to retain the unjust international economic situation that favors big oil monopolies that make efforts to acquire crude oil for negligible prices. They would like to secure welfare in the North while retaining backwardness, destitution, and unhappiness in the South. The security of oil wells is closely connected with the security and stability in the entire region. This cannot be achieved without solving political problems. Assistance must be provided to our region, and therefore we are interested in the deliveries of new technology, equal division of riches and income from crude oil in such a manner as to serve the nations in this region and their progress. This will also help develop democracy and the respect for human rights.

[Loerincz] At the end of an extensive interview, Iraqi Ambassador, Mr. Munther Ahmed Al-Mutlaq, expressed his wish to say a few words about the Iraqi-Czechoslovak relations. He labelled them as historical relations that have been established to the benefit of the peoples of both countries. Iraq is making efforts to develop them even more. He said, however, that Czechoslovak policy exaggerates certain things, even in comparison with the NATO member states; for instance, the suspension of the studies of Iraqi students in the CSFR. No other country in the world has taken such a step, since, on humanitarian grounds, there were no reasons for having done this. "I think that the mission of good will not so long [General Vacek visit to Iraq in early December] ago helped your deputies make a different picture about Iraq and it helped them seriously work on our contacts. Do not forget, please, that relations between countries today are governed by mutual benefits and interests.

Ministry Advises Nationals Against Gulf Travel

LD2912163490 Prague Domestic Service in Slovak 1600 GMT 29 Dec 90

[Text] A dangerous development in the situation in the Persian Gulf region caused by the inflexibility of Iraq which refuses to withdraw its troops from Kuwait by the 15 January was discussed by the crisis staff of the Ministry of Foreign Affairs in Prague today.

In the context of growing tension in this region it advised all the Czechoslovak citizens not to travel to Bahrain, Iraq, Israel, Yemen, Jordan, Qatar, Kuwait, Lebanon, Saudi Arabia, the United Arab Emirates, Sudan, Syria, and the areas of Iran and Turkey neighboring Iraq.

The Ministry of Foreign Affairs advises Czechoslovak citizens with long-term work in these areas to send their dependents home immediately and consider whether their further stay in the region is necessary.

1991 Payments Agreement Signed With USSR

LD2812192590 Bratislava Domestic Service in Slovak 1730 GMT 28 Dec 90

[Text] Deputy Federal Prime Minister Vaclav Vales and Soviet Ambassador Boris Pankin signed a payments agreement between the two countries for next year. It specifies new conditions of mutual trading in free currency and completes a series of mutual economic negotiations and partial agreements. The agreement allows for a practical transition toward contracting goods, above all in connection with deliveries of raw materials to Czechoslovakia, and is a basis for further talks between our traders and the Soviet partners on the level of republics and enterprises. On this occasion, the Soviet ambassador conveyed his government's thanks to Vaclav Vales for the school our state has built in the Armenian Spitak which had been affected by an earthquake.

Mass Influx of Soviet Refugees Expected

LD2912235990 Prague CTK in English 1705 GMT 29 Dec 90

[Text] Bratislava Dec 29 (CTK)—Slovak Commissioner for Refugees Jaroslav Svechota told CTK today that over 1 million Soviet citizens, including Jews living in the USSR, are expected to use Czechoslovakia as a transit country once a law is passed allowing Soviet citizens to travel abroad.

Svechota said that the expected influx of Soviet refugees will be cushioned by the fact that only some 12 million citizens have a valid passport and that it sometimes takes up to one year to obtain a travel ticket.

The Slovak official said that Czechoslovakia will soon ask the office of the U.N. High Commissioner for Refugees for financial assistance.

Contract on Locomotive Exports to USSR Signed

AU2812143290 Prague MLADA FRONTA DNES in Czech 22 Dec 90 p 7

["(vm)"-signed report: "They Fear Our Bank; First Export of Locomotives to USSR for Hard Currency"]

[Excerpts] Prague— A $176.3 million contract was signed by representatives of Pragoinvest and the Soviet Mashinoeksport foreign trade organization in Prague yesterday. It involves the delivery of 200 six-axle diesel locomotives from the Prague CKD Locomotives plant for the needs of the USSR Ministry of Transportation.

The order itself is not extraordinary, as some 7,000 of these shunting locomotives are used in the Soviet Union already. It is, however, the first contract of its kind to be signed in freely convertible currency, instead of the mystery-shrouded transferable rubles that defied international comparison. [passage omitted]

It is remarkable that during the signing ceremony yesterday, Pragoinvest and CKD representatives were worried less about the Soviet partner's noncompliance with the contract than about their own financial collapse. Pragoinvest owes CKD 250 million korunas and pushes our engineering colossus into secondary insolvency, which could supposedly even halt production at the beginning of next year. Even expedited exports will not help Pragoinvest get out of its debts because its creditor, the Commercial Bank, which it owes 0.5 billion korunas, is impounding all export proceeds. Unless the banks find a compromise that will be acceptable to everyone, CKD may soon experience the same shocks which now beset the Zetor plant in Brno [which is insolvent, due largely to frozen claims in Iraq, and may be forced to close down despite great demand for its products, unless the banks bail it out].

Polish Border Open to 'Free Travel' 31 Dec

LD3012170490 Prague CTK in English 1533 GMT 30 Dec 90

[Text] Prague Dec 30 (CTK)—Border crossings between Czechoslovakia and Poland will be open for free travel from midnight today till midnight on January 1, 1991.

Travelers need only a valid passport. Substantially bigger interest in crossing the border is on the Polish side. Normally, Poles still need a written invitation from Czechoslovakia if they want to visit the country.

Several rounds of talks have been held between the two countries on opening the border which the Czechoslovak side conditions by intorduction of a realistic exchange rate of the Polish zloty to the Czechoslovak crown because it fears buying out goods by the Poles. However, the Polish side has thus far rejected to meet this condition.

Dienstbier Cited on SFRY's Slovenia Independence

LD2812212890 Prague CTK in English 2005 GMT 28 Dec 90

[Text] Prague Dec 28 (CTK)—Czechoslovak Foreign Minister Jiri Dienstbier told CTK today that it is now impossible to say how the recent declaration of independence by Slovenia will influence current friendly relations between Yugoslavia and Czechoslovakia.

According to Dienstbier the Yugoslavs are interested in preservation of federative ties, but in a different, confederative form.

The minister takes the view that the solution will be discussed in Yugoslavia next year, and added that Slovenia's declaration of independence is a matter of its internal agreement with Yugoslavia.

Czech Deputy Prime Minster Recalls Resignation

AU2812192590 Prague RUDE PRAVO in Czech 21 Dec 90 p 2

[Interview with Frantisek Vlasak, Czech Republic deputy prime minister, by Igor Sirota; place and date not given: "I Have Resigned, But...."—first four paragraphs are RUDE PRAVO introduction]

[Text] Prague (From our reporter)—Has Frantisek Vlasak resigned from his function of the Czech Republic prime minister, or has he not? During our interview on Wednesday [19 December] he said to us: "Yes, I have resigned." On Thursday [20 December], however, there were some doubts about it. What is the truth?

We were unable to find Deputy Prime Minister Vlasak. From the officials of his administration we received a confirmation—yes, he has submitted his resignation.

At the Office of the Czech Republic Government we have learned the same thing—the deputy prime minister was thinking about resignation and, apparently, he has submitted it.

Finally, we were able to contact Deputy Minister F. Vlasak. He spoke to us on the subject of his resignation:

[Vlasak] What you have published in RUDE PRAVO is completely true. I am confirming it again—I have resigned. In our interview on Wednesday I said that I had resigned because of my age. My reasons are deeper, however. After I had permanently worked on the complex problems of the competence bill for three weeks, including weekends, I, sort of, collapsed. I do not want to dramatize the situation, but it was at that time when I decided to resign.

[Sirota] You have resigned, but your resignation has not been accepted. Why?

[Vlasak] The prime minister accepted my arguments, but after doctors discovered that my overall health was good, that I was only temporarily exhausted, he suggested to me that I take short vacations and then to continue my work. As of next year, the new economic reform that I helped to work out will be introduced. This is why Prime Minister Pithart asked me to stay. I accepted the prime minister's arguments and took my resignation back.

[Sirota] How long do you anticipate staying in your job?

[Vlasak] Only for a few months.

[Sirota] Have you thought about your successor yet?

[Vlasak] I cannot give you any specific name, yet it will be necessary to think about who my successor will be.

[Sirota] Thank you for the interview.

New Czech State Budget Rules Adopted 20 Dec

AU2812193690 Prague HOSPODARSKE NOVINY in Czech 21 Dec 90 p 16

["(st)"-signed report: "Now It Is the Budget"]

[Text] Yesterday, the Czech National Council adopted the rules for managing the Czech Republic budget funds. However, only a temporary validity of the rules is expected because of the constitution that is being prepared and the taxation system reform. Therefore the only principal change is the stipulation regarding the relationship between state budgets, revenue basis, and expenditures.

Also newly adjusted are the budgets of communities and district authorities. Beside subsidies, the revenues of the communities consist of the returns on their property, taxes from enterprises founded by them, resources from their own business ventures, income taxes collected from the population, house taxes, local fees, etc. The deputies decided regarding the district authorities through which the communities receive their subsidies that the surplus of their financial management will not be forfeited at the end of the year.

The proposal of the state budget of the Czech Republic for 1991, which is on today's agenda of the twelfth session of the Czech National Council, is based on the adopted budget rules. The surplus is an expression of its restrictiveness in expenditures, which is to contribute to forming better conditions for the economic reform and to moderating the inflationary tendencies. The total revenues are set at the amount of 182,609,900,000 korunas and expenditures at 181,509,900,000 korunas.

No Referendum on Party Name Among Communists

AU2812193490 Prague RUDE PRAVO in Czech 22 Dec 90 p 2

["(bc)"-signed report: "Only Conjectures About Property"]

[Text] Prague (From our reporter)— At the Friday [21 December] session of the Communist Party of Bohemia and Moravia [KSCM] Central Committee in Prague, Central Committee members inquired about what would happen to the property of the Communist Party of Czechoslovakia after 1 January 1991. They learned that guidelines for the implementation of the [Federal Assembly law on] return of property [to the people of Czechoslovakia] are not yet available.

Hence, it is not clear what financial resources the Communist Party of Czechoslovakia will be allowed to retain for its activity and whether it will not incur an ordinate debt. No decision has been made as yet on whether party organizations in the districts will be allowed to keep (or buy back) what they need for their activity. What is certain, on the other hand, is that the Communist Party of Czechoslovakia will not have even such training facilities as are available to the Czechoslovak People's Party and the Czechoslovak Socialist Party.

There will apparently be no referendum on the party's name within the KSCM. KSCM Chairman Jiri Svoboda stressed that it is far more important to concentrate at all levels on political work and flow of information to the public. Internal party problems are to be put aside.

Democratic Forum on State Security Participation

AU2812194590 Prague LIDOVE NOVINY in Czech 22 Dec 90 p 2

[Unattributed report: "False Allegations?"]

[Text] Prague—Dr. Jiri Kofranek, candidate of sciences and Czechoslovak Democratic Forum chairman, raised objections against the allegations, heard at the news conference with the parliamentary commission investigating the 17 November events, that the Democratic Forum of Communists was established by the State Security. Being one of the founders, he rejects such a statement because it distorts important facts and could, in its consequences, do undue harm to many people. "We are asking who can be interested in passing the Old Maid [reference to card game] to the people engaged in

democratic left wing, as it happened just recently in case of Charter 77," says, among other things, J. Kofranek.

Slovak Parliament Approves Budget for 1991

AU2912180390 Prague HOSPODARSKE NOVINY in Slovak 21 Dec 90 p 1

["(chk)"-signed report: "Greater Powers Mean Higher Costs; Budget of the Slovak Republic Approved"]

[Text] Yesterday the Slovak National Council [SNR] approved the budget of the Slovak Republic for 1991 after an extensive debate in which it considered dozens of proposed amendments to various items of the government-sponsored draft of the SNR law on the state budget. The approved budget has a distinctly restrictive character.

In the original draft, for example, the budget provided for 414 million korunas for the needs of churches in Slovakia, of which 120 million were earmarked for salary increases for priests. This sum, which is twice as large as the sum earmarked for churches in the Czech Republic, was reduced by 20 million korunas following the debate. These 20 million korunas will now be spent on support for publishers of literature for children. At the deputies' proposals, the budgets of five ministries were cut by a total of about 100 million korunas. This is a sum, however, which only insignificantly affects the volume of resources that will be spent on state administration in the Slovak Republic next year. The large increase in expenditures on state administration is a result of the transfer of powers to Slovakia after the approval of the so-called power-sharing bill in the Federal Assembly. In the very first year of conducting its economic affairs on its own account, Slovakia will thus have to pay more for its augmented powers.

21 Dec Slovak Government Session Reviewed

AU2812201190 Bratislava VEREJNOST in Slovak 22 Dec 90 p 2

[CTK report: "Un-Christmaslike Session"]

[Excerpts] Bratislava— Yesterday's session of the Slovak Republic Government had nothing in common with the distribution of Christmas gifts. [passage omitted]

The Slovak Republic Government considered the development strategy of the Slovak economy up until 1992 and the draft orientation of state structural policy. It acknowledged a report on possible adverse situations in the economy of the Slovak Republic and discussed possibilities of dealing with these problems. Critical situations could be caused by a decline of economic performance; lower generation and higher use of resources; deteriorating conditions in foreign trade; imbalance on the consumer goods market, the capital market, and the labor market; as well as by repercussions of the conversion of the engineering industry [from arms to civilian production].

The government also discussed the concept of employment and social policy. According to Stanislav Novak, Slovak Republic minister of labor and social affairs, the Slovak Republic Government reckons on an average rate of unemployment of five percent next year, which means about 140,000 unemployed and a decline of real wages by about 15 percent. A total of 4.2 billion korunas have been appropriated to tackle the problem of unemployment. The draft concept provides for minimum wages of 1,850 korunas [a month], for a minimum pension of 1,440 korunas for individuals, and a minimum pension of 2,400 korunas for couples. The government also acknowledged a control report on the withdrawal of Soviet troops from the territory of Slovakia and dealt with questions concerning the local elections.

Furthermore, the Slovak Republic Government gave its consent to the return of the property of the Communist Party of Czechoslovakia to the people of Czechoslovakia, discussed other financial and currency issues, approved the founding of new corporations, approved the change of the name of the Kosice Technology College to Kosice Technical University, and appointed Jaroslav Svechota, first deputy minister of interior of the Slovak Republic, to the post of commissioner of the Slovak Republic Government for refugee affairs. The government discussed also some other issues.

Parliament Reaches Agreement on 1991 Budget Cuts

LD2812185290 Budapest MTI in English 1659 GMT 28 Dec 90

[Text] Budapest, December 28 (MTI)—Parliament's budgetary, tax and financial committee has reached agreement with the government on the extent of the cuts in next year's budget expenditures, Pal Becker has told journalists on behalf of the committee. (The budget deficit planned for 1991 is 78,000 million forints.)

Becker said that there had been the agreement that the expenditures projected for next year should be reduced by 24,000 million forints, the sum to be turned to supporting the local governments and augmenting the social-welfare fund.

Finance Minister Closes Economic Debate

LD2912194490 Budapest MTI in English 1730 GMT 29 Dec 90

[Text] Budapest, December 29 (MTI)—Approval of the 1991 budget is essential from the point of view of upholding the country's operation. Hungary stands to suffer losses of some 2,000 million dollars in foreign trade next year. Economy cannot counterbalance this entirely from its own strength. Further foreign loans are much needed. An important condition of opening the foreign credit channels is for the country to have an approved budget, said Mihaly Kupa, the new minister of finance, at the session of parliament on Saturday, when the debate over next year's draft budget drew to a close.

The minister of finance said he has several reasons to feel confident about the future. Irrespective of how contradictory the year 1990 was, the country's financial balance showed a major improvement, and the awaited economic transformation has also begun. It is a fact that the significant debt stock burdens the country, but trying to ease the situation with rescheduling is not possible. Rescheduling would shift the burdens on the future generation. The only possibility is to rationally distribute the burdens and to explore the opportunities of progress. These include the dynamic increase in exports, the more rapid involvement of foreign capital, a well-considered privatization, and austerity.

Mr. Kupa announced he would sumbit a complex economic policy programme to parliament by the end of February.

National Assembly Extraordinary Session Begins

Defense Minister Discusses Army Budget

LD28122221190 Budapest Domestic Service in Hungarian 1830 GMT 28 Dec 90

[Speech by Defense Minister Lajos Fur at National Assembly session in Budapest—live]

[Text] Esteemed Mr. Chairman, ladies and gentlemen: First and foremost I should like to dispel a misunderstanding. The [submitted] budget of the Hungarian Army is more, only in appearance, in nominal value, than this year's. The submitted budget for next year appears to be higher by 5 billion forints than this year's budget. However, it must be considered that 4.6 billion forints of the budgetary sum is based on the Army's own revenues, and it is uncertain whether more than half of this can be realized. In straightforward terms the budget's nominal value is not higher than this year's.

If we add to this the fact that the switch over to dollar accounting for various components obtained from the USSR for the purpose of securing the operation—not renewal—of military technology will cost 9 billion forints more as from 1 January than it cost this year to obtain the same materials, and if we also add inflation to this, then it emerges that the 1991 budget of the Hungarian Army is approximately 30 percent less in real value than in 1990. Please consider it in these terms.

Our experts have been endeavoring for weeks to work out emergency measures through which we can make savings in both material and personnel expenditures, so that the Army should be able, out of this reduced budget in terms of real value, to somehow get through the coming year; so that it should not be necessary, at least, to tamper with the Army's system and organization of army corps—in other words with the combat formations. This sum will be enough only for us to get through, somehow, the coming year.

I should like to speak about the proposed cuts in the sports and cultural budget. The expenditures to the tune of 230 million earmarked for sports ensure support not for the sportsmen, not for the sports leaders, not for the associations, but for the operation of sports premises handled by the Budapest and rural army associations. In other words, these are not personnel outlays, but solely material outlays—the operation, lighting, and maintenance of premises—which produced sportsmen of world and national renown, such as Ferenc Toeroek who is sitting behind me. [applause] Obviously, this can be withdrawn from the Army, but it then must be placed elsewhere, because otherwise the sports associations whose operation is a national interest will be unable to function.

Cultural expenditures amount to 800 million forints in the budget. Only a few people think about what lies behind these 800 million. The issue at hand is the operation of firstly, the Army's arts ensemble, which consists of a choir, dance troupe, and orchestra. Should we abolish it? Should we close down the Museum of Military History and the archives? Should we abolish the Zrinyi Publishing House? Should we abolish the Hungarian Army's sole weekly? Should we close down the [word indistinct] small libraries and send away the librarians? No? Then what should we abolish? If we abolish all these, then elemental strands of culture will

cease to exist around the Army which have existed for decades and which, in my view, must function in the future.

Esteemed House, I do not want to claim your patience for very long. Today, at 1310 hours, I received a message from Moscow. [slight murmur in assembly] Yes, please do not smile. As from 1 January, all the systems which over decades linked the Hungarian Army to the Warsaw Pact's armed system will cease to exist. [applause]

I know that for many people this perhaps does not arouse the same thoughts and feelings concerning everything we proclaimed regularly in our election campaign, in connection with regaining the nation's sovereignty. This was also discussed; proclaimed unanimously by all the parties sitting here, indeed by the small parties outside of parliament. Since we have been sitting here, this is what we have wanted, and this is becoming reality as from 1 January, in every regard; which means that the Hungarian Army as from 1 January will be the army of this parliament, of this government, and of this nation. [applause] It will really be able to bear the name Hungarian Army.

Esteemed fellow deputies, vote for the budget of this Army, and vote for it in a manner so that it really is able to fulfill its national mission in the coming year, too. Thank you. [applause]

Fur Comments on Defense Expenditure

LD2812214190 Budapest MTI in English 2014 GMT 28 Dec 90

[Text] Budapest, December 28 (MTI)—The Friday [28 December] working day of parliament came to an end.

The debate over next year's draft budget was also concerned with the defence expenditure. Defence Minister Lajos Fur said that the projected sum of 54,500 million forints was considerably lower in real value than the 1990 budget of the Hungarian Army. Thus, any cuts by parliament in the proposed amount could render the Army unviable. He also announced that he had received a message from Moscow at 1.10 p.m. on Friday saying that all systems which had linked the Hungarian Army to the arms system of the Warsaw Treaty would cease to exist as of January 1, 1991, rendering the Hungarian Army self-reliant.

The budgetary debate was interrupted at 8.35 p.m. The parliamentary session will continue on Saturday.

Antall Delivers Speech on Budget

LD3012103490 Budapest Domestic Service in Hungarian 0900 GMT 30 Dec 90

[Text] The extraordinary session of the National Assembly began in the parliament building at 0900. Andras Domany reports from the parliament building.

[Domany] At the beginning of the session, Prime Minister Jozsef Antall asked to speak. He said the government had submitted a budget drawn up under constraint, in a situation of constraint, and it was not expected that the general sympathy of the country and the deputies could be won over. Nor is there any doubt that there would be criticism, even from government parties, and this has occurred. One thing is certain, said the prime minister: The National Assembly must decide; the country must have a budget. The government parties, the parties of the government coalition, he added, must stand by this proposal—they must vote in favor of it. Additions to it from numerous proposals from among the motions of the opposition have been accepted. At the same time, the prime minister asked that the opposition also take into consideration the common responsibility and vote for the draft. As we know, three opposition parties rejected this yesterday. The prime minister also said that the government would report quarterly on the implementation of the budget, and if necessary, would propose amendments or accept such things.

After this speech the extremely long process of voting, which probably will last until the evening, began. Now they are voting on the modification proposals concerning individual details. So far there has been one interesting decision: The self-governments [as heard] will receive 5,000 forints per child attending nationality kindergartens. This item had not been figured in the budget until now.

Assembly Votes on Budget Cuts

LD3012195890 Budapest MTI in English 1432 GMT 30 Dec 90

[Text] Budapest, December 30 (MTI)—The voting process over next year's draft budget began on Sunday in Budapest, at the special session of Hungarian parliament. MPs approved several amendment proposals, thereby considerably cutting governmental and administration expenditures. Assistance was mainly increased to improve the situation of the minorities.

Among others, legislators decided to cut, by 100 million forints, the amount earmarked for the World Expo Progamme Office, by 600 million that of the security services, by 20 million the amount set for the Hungarian Chamber of Commerce, by 245 million the New Foundations, by 200 million the Prime Minister's Office, and 1,000 million the amount destined for the Ministry of the Interior.

The proposal to form a 50-million-forint reserve fund for minority education in 1991 was approved by legislators. The state budget is to increase the financial means of the local governments by 5,000 forints per child enrolled in minority kindergartens. It was also decided to ensure 200 million forints to assist the operation of national and ethnic minority organizations, instead of the planned 100 million. The budgetary financial supply of the foundation for Hungarian national and ethnic minorities was

also increased, from 20 to 50 million forints, and assistance provided to minority periodicals has also been raised, from 20 to 40 million forints.

MPs approved the motion that wages of artistic, public educational workers, and employees of public collections be raised by a further 10 per cent in 1991, which means a total raise of 30 per cent.

Prior to the voting procedure, Prime Minister Jozsef Antall addressed the special session of parliament, on behalf of the government, on Sunday in Budapest.

Mr. Antall said that when it submitted the budget, the government was aware that the draft would not win unanimous sympathy either from parliament, or from the country. All the same, he added, the government submitted a necessity budget in a necessity situation.

The prime minister again said the budget will have to be modified during the year, adapting it from time to time to the facts, and this is the fundamental interest of the country, parliament and the government. It is obvious that parliament, when approving the budget, shifts the main responsibility onto the government coalition, however, the government parties are not the only ones that have to bear responsibility in crisis situations similar to the current one. Therefore, Mr. Antall asked the opposition to carefully consider its stand, and the forms of this. He said he was not asking the opposition to vote for the budget, as the opposition is a political opposition precisely to criticise and to fulfill a controlling role.

In conclusion, the prime minister stressed the government will be flexible and firm, and in spite of all difficulties, it wishes to lead the country towards overcoming the crisis with its economic policy programme.

Assembly Cuts Government Budgets

LD3112091190 Budapest Domestic Service in Hungarian 0800 GMT 31 Dec 90

[Text] In the budget for next year which it adopted late last night, the National Assembly has reduced the budgets of several administrative organs and portfolios. Thus, the Interior Ministry will be getting 1 billion forints less and the prime minister's office will have to manage with 200 million forints less next year. Support for the World Exhibition Program Office has been reduced by 100 billion forints, that of the Central Statistical Office by 200 billion forints and, the amount at the disposal of the State Assets Agency has been reduced by 50 million forints. In spite of the significant reduction in support, the permitted 78 billion forint budget deficit will increase by a total of 780 million forints.

Prime Minister Antall on Activities in 1990

AU3112081790 Budapest MAGYAR NEMZET in Hungarian 23 Dec 90 p 5

[Interview with Prime Minister Jozsef Antall by Attila Kristof; place and date not given: "Dignity, Self-Confidence, a More Humane Life"]

[Excerpts] [Kristof] In an interview given to MAGYAR NEMZET six months ago, among other things, you stated that when you became prime minister, you also assumed the risk of a failure. What is your point of view today, do you think that the risk has grown or diminished?

[Antall] In politics, I think one always has to expect risks, particularly if the situation is as difficult as it is in Hungary. When I agreed to govern, I also agreed to take on the risk of a failure, of course. One can fail after a success as well as after a failure....

[Kristof] We hope that there will be no failure....

[Antall] Thank you very much. I am confident that there will be no failure, and that the Hungarian people will understand that our efforts are honorable. I am sure that Hungarians will not believe those people who say that we have no program, people who want to make this government seem hopeless. On the contrary, we do have a program, an efficient team, and Hungary can surmount the present crisis. Unfortunately, this requires a medication that will bring pain and ordeals.

[Kristof] In that case, allow me to wish you a fall after your success....

[Antall] That kind of fall would make me happy. If I can lead Hungary out of this crisis, or, to be more modest, if I can put Hungary on the track that leads to a peaceful future and definite progress, and if at that stage—as Winston Churchill put it—the country lets me go, then I would feel that to be a success, because I do not aspire to a career or glory....

[Kristof] When you assumed office, you spoke of "100 days of patience." Did you think that in the somewhat paranoid state of a bloodless revolution, many people would take this slogan extremely seriously and turn it against you?

[Antall] I think I was mistaken in believing that Hungary would respect this convention which, even in parliamentary democracies, enables a government to organize its apparatus and its work during a normal change of government. In Hungary, we were in a more difficult situation because we received the legacy of a 40-year old structure, and we had to start governing in a depoliticized country that stood under the both good and bad influence of a Kadar-type consolidation. I asked for the 100 days of patience because I tend to think along classical political lines, and I did not foresee that many people would misunderstand me.

[Kristof] Seeing as we have mentioned that little "bon mot," as well as wit, irony, and self-criticism, I would like to ask how a man with your sense of irony reacts to the complete lack of humor or airiness in your surroundings—naturally, I include the opposition in these surroundings. How do you react to the fact that if something ever so slightly ironical is said, people are almost delighted to misunderstand....?

[Antall] I think that Hungary has become a neurotic country. We had every reason to become neurotic. People are haunted by the uncertainty of their existence, by the memory of past horrors, and they aspire to truth: This makes the country serious and gloomy. People have had time to forget what parliament is really like, and what parliamentarism actually means. Therefore, people in general do not necessarily know why it is important to have witty duels in parliament: These duels enable people to excel, and to become more capable of perfectly representing their political line by being such skilled orators. Apart from that, in the wider sense, this lack of humor—and particularly of irony—is linked to the whole state of Hungarian intellectual and political life at the moment; I agree with Miklos Gaspar Tamas [Alliance of Free Democrats representative] when he says that opposition movements in this country have often been founded on a tribal basis. Apparently, we find it difficult to leave behind our tribal wars, a habit that is not exactly worthy of Europe.

[Kristof] Has the Federation of Young Democrats [FIDESZ] not moderated this exaggerated seriousness a little bit?

[Antall] I have repeatedly stated that the FIDESZ has given itself a high profile, on the one hand, through its professionalism and outspokenness, and on the other hand, through its clear representation of ideas that lie close to European and American liberalism. If the party breaks the generation boundary, I think that the FIDESZ has serious chances of becoming an even more important political force than it is today. I think that the FIDESZ will sense it when the time for humor and irony really has come. [passage omitted on the lack of irony and humor in Hungarian politics, and on Antall's poor relations with journalists]

[Kristof] According to public opinion, your government generally lacks any kind of artfulness. There are rumors that you make choices on the basis of friendship or family relations, rather than aptitude. Please tell me how you actually choose your colleagues.

[Antall] I presume that this question basically concerns my government members. Naturally, my possibilities were initially limited by the coalition factor, and they were also limited by the points of view of my own party and of the parliamentary committees. Given these limits—or if you like, these obstacles—when choosing my colleagues, I primarily take into account their expertise, their political aptitude, and their commitment.

[Antall] There is only one government member who is a relative of mine, and that is Foreign Minister Geza Jeszenszky, who is married to my niece. If Geza Jeszenszky had been made the director of a poultry branch somewhere, for example, then people would be quite justified in asking why he had been appointed out of all the people in the country. However, Geza Jeszenszky studied to become a diplomat right from childhood. He was an eminent pupil of mine, and he was already a committed opposition supporter in his high school days. He was not accepted into the university for years. Later on, he was invited as a guest lecturer to several universities abroad, and he eventually became a lecturer in international relations and diplomacy at the university of economics. In 1989, he ran against the official candidate and was elected dean. Geza Jeszenszky speaks several languages. I think that there can hardly be any objections against my choosing him as foreign minister. It has also been said that there are five former Piarists in my government, and that I was the founding chairman of the Piarist student federation. This information also reached me through a "well-meaning" newspaper article, because it had never been mentioned between the people concerned and me. Indeed, the six of us are not the same age, and we did not go to a Piarist high school together. So, we did not know each other in that context. A lot of things could be said at this point, for example, that historical figures like Szechenyi, Kossuth, and Deak were Piarist students as well, or that after the 1867 settlement, four of the first five Hungarian heads of government were Piarists. However, I would rather talk about selection. I took particular notice of the experts who surrounded me at the Hungarian Democratic Forum [MDF] opposition roundtable, where I was one of the chairmen conducting negotiations. Former Interior Minister Balazs Horvath, Justice Minister Istvan Balsai, and Minister of Industry and Trade Akos Peter Bod were all there as experts, and Bela Kadar, minister for international economic relations, was also beginning to join their circle.... One of the characteristics of this government is that not a single one of its past or present members is a former member of the Hungarian Socialist Workers' Party [MSZMP]. Nor was Mihaly Kupa [new finance minister] ever an MSZMP member. Nevertheless, at this point, I would like to say that, by helping a lot of people in many areas, a lot of MSZMP party members did more good during the one-party state era than many cowardly or indifferent nonparty members. Moreover, many of these people played an active part in the dismantling of the one-party state. Historical turning points are often marked by an almost inevitable dismissal of all the people who were in power before. [passage omitted]

[Kristof] Could you tell us under what circumstances you first heard the news about the taxi drivers' blockade? Tell us about your feelings and thoughts at the time. As a politician, do you see any purpose that this traumatizing experience may have served?

[Antall] In October 1990, I absolutely had to travel to the United States. Naturally, I knew that I had an inflammation in my lymphatic glands, and at that stage it was already causing me pain.... (The correct name for the inflammation is Non Hodkin lymphoma; it can be treated, and after its treatment, it disappears.) Contrary to certain rumors, this lymphoma did not prevent me from working; I think that my daily 16-17 hours of activities prove this point. This kind of illness is very good for people, because it makes them very resolute.

And if they imagine the worst possible option, then they become even more resolute and committed. In any case, I had never hoped for a long life, but rather, for an active life. Upon my return from the United States, nobody saw the slightest trace of pain in me, and I had one more duty, namely to deliver my prime ministerial speech in Parliament on 23 October, and to take part in the laying of wreaths and the celebrations in the Budapest sports hall. So, I delivered my speech, and then I was informed in my car that I had "withdrawn to the hospital." My operation took place the following day. I received the first news about a burgeoning taxi drivers' blockade when I was just about recovering my senses after the anesthesia. That was a difficult situation for a prime minister: I had to decide if, right after my operation—practically the moment I recovered my senses—I could take part in something that could affect the fate of the whole country. In accordance with our constitutional law, I decided against such a move. In this kind of situation, I can merely give advice to my own government. That was what I proceeded to do. The government had to assume all responsibilities, and the interior minister, who acted as my substitute, had to exercise both his functions. When the taxi drivers' strike ended, I addressed the nation on television, and that was only a few hours after the doctors had removed the drain tubes from my sides. However, prior to that, I had constantly been connected by telephone to the government, and I also spoke to Chancellor Kohl and an EEC representative. On the night of Friday, 26 October, the EEC opened its Rome summit, and upon my request, Hungary was put on the agenda. When Chancellor Kohl announced that he had received a telephone call from his friend in Budapest, and that help was needed urgently, the EEC immediately provided $350 million to help us bridge the gap. This gave me strength, because I knew that other European heads of government were backing me up and trusting me....

[Antall] The negotiations represented an incredible burden, not only for the people who took part in the taxi drivers' blockade, but also for our ministers and state secretaries. I knew exactly—and this was something that the public could not always know—the positions that various ministers had expressed before the negotiations, the concepts that various politicians had brought with them to the negotiating table, and then I saw how each of these individuals represented the government. I knew how unfounded some criticisms were, and I knew that there were some government delegates who very loyally defended a point of view that they had previously disagreed with. I have great respect for these ministers of mine. I value the way in which they understand our constitutional law by assuming political responsibilities and showing political loyalty; this understanding of constitutional law constitutes the basis of all democracies and laws. Within this context, allow me to mention just one name, that of Akos Peter Bod. I must thank all my ministers for being in control of events under those circumstances. I also owe the Hungarian people a word of thanks. So, what advantage or purpose did this blockade serve, what lessons did we learn? Hungary did not experience a revolution when it changed its regime. The events in 1956 were a revolutionary experience, but the following generation did not really see the point in those events because Kadar's consolidation made the picture of our past unclear. In fact, it was now, in October 1990, that Budapest and Hungary first learned the meaning of a state of emergency, and what a collapse or a catastrophe might mean. Those October days gave us the experience of paralysis, and thus, the time came when responsible forces suddenly realized that wild tempers had to be curbed. All this contributed to a situation where society—embittered and afflicted people—felt that it should show common sense and goodwill. I think that this was one of the important lessons to be learned from the taxi drivers' blockade; the blockade provided the experience of a crisis to a people who had not yet witnessed a crisis, it awakened many people's awareness of danger, and it made people realize how easily a constitutional state can be toppled, how many false and deceitful prophets there are.... The blockade also had a positive side to it, namely that it brought various political groups and interest representation organizations to one negotiating table. [passage omitted]

[Kristof] Finally, I would like to ask you what the government could do to bring back trust, and the will to live and be happy, to this society? What promises could you make to the people of Hungary, this Christmas 1990?

[Antall] It is always very difficult to speak at Christmas, because this is also the season of reckoning. In the spirit of peace, I would very much like this country to proceed on a path that is confidence-inspiring, a path less marked by bad tempers. I would like people to feel greater solidarity with one another, to empathize with the down-and-outs, and I would like people to think that, in these difficult times, we have to lean on each other and support each other as though we were in danger, as though we were experiencing an earthquake or a catastrophe. We must not let those who are down-and-out feel that we are giving them alms when we give them support, and we must not allow the people who can afford to make a contribution to feel that they are giving alms.... We always have to tell the truth, even at Christmas, when we celebrate love. Difficult times lie ahead of us. The change of regime cannot take place painlessly in politics, in the economy, or in the social sphere. It will be very difficult, but I definitely think that there is a way out. I am confident that in 1992, we will already be witnessing signs of improvement and change, and from then on, we could experience continuous progress. When the people of Hungary think with the greatest bitterness about our present situation and our deteriorating world, I would ask them to look not only toward the West, but also around this country. If people remember that, in recent times, more than 50 percent of all the capital invested in Eastern and Central Europe has been allocated to Hungary, then they have a reason to be confident, because the West does not invest money in places

where there seems to be no way out. In other words, I make requests before I make promises. I ask for faith and trust, this Christmas 1990. In a year's time, I hope I will be able to believe and say that we have overcome the hardest part.

[Kristof] What wishes do you have for Hungary?

[Antall] I wish the country dignity and self-confidence. I wish people a more humane life. I would very, very much like to see that, and I will do my utmost to help us reach that goal.

Antall Participates in End-of-Year Interview

LD3012214690 Budapest Television Service in Hungarian 1800 GMT 30 Dec 90

["End-of-the-year" interview with Prime Minister Jozsef Antall by Peter Feledi; place and date not given—recorded]

[Text] [Feledi] To make predictions for 1991, it is necessary to have the abilities of a prophet, or are the abilities of a politician sufficient? What do you think?

[Antall] I believe the abilities of a politician also include certain prophetic abilities, and that if prophets can be mistaken, so can politicians.

[Feledi] What do you think? Are our 10.5 million fellow countrymen sufficiently aware of the difficulties we face?

[Antall] I believe that they should be, or should have become, conscious of these. This, of course, does not mean that eveyone of these ten million are aware of this. I am sitting here now in order to point this out. Naturally, people must be familiar with everything. They must know what awaits them.

[Feledi] If this is so, and they understand this, there still are unpredictable elements among their reactions. Therefore, when a series of unpopular measures is expected, when the standard of living will, at best, stagnate, but, for the most, will decrease, end-of-October actions and reactions can be expected. Does the government have a way to handle this?

[Antall] If one follows the statements made by the political forces which are not identical with us, or who do not sympathize with us, you see that all say that in the country's current serious situation there are no cure-alls. No one has cure-alls of this type, and everyone emphasizes that, properly speaking, this is a crisis situation which must be handled. Everyone knows that serious, tough measures are necessary to save the situation and to lead the country out of this crisis.

We might act if as there might be a much better way to do this. This is the natural task of the opposition. However, I hope that Hungarian public opinion can distinguish the direction set out for policy at one point and at one time, that this policy we set out has a proper direction, and that the economic policy measures which we take, and have raised the prospect of, are appropriate for leading the country out [of the crisis].

[Feledi] However, do you think pensioners living near the subsistence level, or even nonpensioners, large families, young people, living at this level, will always be expected to think in terms of the country and long-term strategy?

[Antall] Of course, this cannot be expected. There has been discussion of this many times. However, generally, it is not those strata—the strata most in need—who are usually the loudest, who are the subject of discussion now. We know this exactly, and we shall do our utmost so people with low pensions or large families get the support and assistance that is possible. I think that in this budget, too, the government has provided guarantees in the interest of creating the so-called social net—unemployment, possibilities for redirection, retraining, other social measures. Naturally, the task of a legal government is to maintain the legal order. This government must maintain the legal order, in relation to every unconstitutional and unlawful force.

In this interest, it is obvious that no one here can be afraid. No one should have to be afraid that someone might be able to avail himself of political, or illegal, means which some people still use to generate fear. What I think is the most serious is if fear is generated in the people, trust in the government is reduced.

[Feledi] What do you wish for 10.5 million, or 15 million Hungarians?

[Antall] I believe I can safely say that from my heart I wish them better things than what I wish for my own government, because I wish that, having understood our situation, having understood Hungary's most serious economic and social problems, this country, with faith in the future, should attempt to be united and to recover from this. They should not be taken in by false prophets, by sham optimists who promise easy solutions. I wish this for the 10 million Hungarian citizens, whether they are Hungarians or whether they are national or ethnic minorities living in Hungary. I wish that the Hungarians living beyond the borders, in our neighborhood, just like Magyardom in the West, should have faith in the homeland. I am thinking of the Magyardom in the West. I wish that the Hungarian minorities living in our neighborhood, while maintaining their nationality and minority rights, should be able to develop. I wish that no matter where they live in the world, those who feel themselves to be Hungarian should work in unity, together, and endeavour to have a new year which is really happier, everywhere they live, and here at home in Hungary, here in the homeland.

It is very difficult. I do not wish to use cliches. I can say one thing: Difficult and tough months will follow, but there is a way out. This is a forest in which there appears to be darkness. In many places we do not know what we shall see beyond the darkness. However, a light filters through into the forest, the forest from where we shall be

able to emerge if we want to do so together, if we can maintain stability, if we can maintain the country's economic-financial-political balance.

President Goncz Views Past, Present Tasks

AU2912205090 Budapest NEPSZABADSAG in Hungarian 23 Dec 90 pp 1, 3

[Interview with President Arpad Goncz by Ervin Tamas and Peter Vajda; place and date not given: "A Good Word Is the Tool at My Disposal"]

[Excerpt] [NEPSZABADSAG] Mr. President, you have been in office for more than six months now. How would you summarize your experiences, and what things turned out differently than what you had expected?

[Goncz] Actors on the political scene all believed that by changing our regime, we crossed an imaginary line, and that this immediately constituted a fundamental change of elements. We can already see today that the change has not automatically meant a change in public thinking, or in relations with the authorities. A change of regime is a much lengthier process, which also has to become apparent in the minds of the people. Naturally, economic difficulties slow down this change in public thinking because they provoke impatience, and they make people think that a change of regime is necessarily accompanied by a deterioration of living standards.

[NEPSZABADSAG] What can be done in such a situation?

[Goncz] Necessary measures have to be taken—as painlessly as possible—by means of resolute and planned efforts, and these measures will lead to a functioning market economy and a realistic price system. A change in the internal structure of the economy could ultimately lead to full employment, and it could strengthen the position of small business initiatives.

[NEPSZABADSAG] Did we understand that correctly: small business initiatives, rather than businesses?

[Goncz] I said that on purpose, because as far as the employment situation is concerned, I think it would be particularly important for family businesses and small businesses to become popular. We have to remember that, in Hungary, there has not been any capital accumulation for a long time, and that is why it is easiest to find the appropriate means to set up small businesses. Incidentally, small businesses used to have a great tradition in this country, and in many foreign countries, like Italy, for example—which also has a developed large-scale industry, by the way—family businesses serve as the basis for a flourishing economy.

[NEPSZABADSAG] You have told us where we should be heading, and we also know where we stand, more or less. How do we get from here to there? There are a lot of doubts and worries in this area.

[Goncz] We have to set up a list of values, and we have to decide which social stratum we want to support; where should the poverty line be drawn? Below this line, society's support is justified in every way. Where does the downward spiralling staircase begin, beyond which human impoverishment becomes intolerable? If we see our priorities clearly, and if the aforementioned list of values is established, then it becomes almost impossible to make a mistake. It is a fact that there is a lot of hesitation, but the primary reason for this hesitation is that the country is experiencing a fundamental economic crisis, there is no room for experimenting, and if anyone decides on anything, then that person has an enormous responsibility to bear. It is almost impossible to make any changes en route. According to my own experiences, there is a great lack of information and a lot of fear in this country. That is a potential source of danger. I have met with trade union leaders, who informed me about their demands and who also told me that they were even prepared to go on strike for their cause. I replied that, being a democratic politician, I do not think that a strike is an inconceivable or unjustified tool, but we have to make sure that the strike does not ultimately turn against those people for whom it was initiated. We have to learn to make a distinction between an expedient laying down of tools and a suicidal strike.

[NEPSZABADSAG] What you have just said leads us into the functioning of interest coordination mechanisms. Do you think that the present mechanisms are suitable for the handling of conflicts?

[Goncz] Interest coordination implies a regulated conflict procedure, because group interests are made to collide, and according to the proportion of strength that lies behind each of these groups, a presumed and forever changing public interest is then outlined. Parliament is not capable of single-handedly coordinating interests; the coordination of interests should primarily take place outside parliament, but not on the streets, of course. Compared to the past, I now see a change in the country, and I think that it is a good thing that interest representation groups are growing in numbers. Perhaps there is still an excessive number of open letters, a lot of fumbling in the dark, and sometimes partners do not even find one another, but that is all part of democratic evolution, and we have to give society time to develop this complicated mechanism.

[NEPSZABADSAG] Mr. President, one often has the impression that you consciously seek out the groups that have found themselves at the center of conflicts, whether they be miners or hydrologists. According to our information, the next group will be students. Do you take these risks on purpose? Do you swim against the tide?

[Goncz] Naturally, these are conscious decisions, although I personally feel that I swim with the tide, and not against it. Of course, it may well be that I go to places that are ridden with problems, and where I sense the greatest danger, but these are the places where a good word is needed the most. It is interesting to note that even a good word has become a scarce commodity in Hungary these days. For a long time, many people

believed that Hungary was a country made up of 10 million cabbage-heads. The time has come for us to realize that, in fact, we are surrounded by 10 million thinking people. I draw people's attention to something, which then usually stays in the limelight for a number of weeks: That is practically the only tool that I have at my disposal. I try to give people a feeling of security. I try to encourage families, local communities, and workplace communities to stick together, to show solidarity. I do not usually make promises, and I would not dare to do so. The message I can convey to people is that they will go the farthest way if they take their destiny into their own hands, if they do not leave their fate at the mercy of others, and if they think communally.

[NEPSZABADSAG] Is that not a quixotic battle? Indeed, solidarity seems to have been weeded out of society.... Would you not agree?

[Goncz] This is an interesting contradiction, because I think that an extremely individualist and materialist era definitely gives birth to its own spiritual movements and corresponding community needs. On the other hand, in a forcefully implemented communal order, the need to express individual opinions, thoughts, and tastes becomes incredibly strong. Given that we are entering the largely chaotic era of a new capitalist order, I think that this will give rise to a strong communal need, as well as solidarity. I hope that I am witnessing the birth of real communities, this time.

[NEPSZABADSAG] The problem is that small communities tend to be introverted....

[Goncz] Even if that were so, I would not necessarily think that it was a problem. On the contrary, the need for solidarity and togetherness is much greater in smaller communities. I believe in the importance of local apostles. Local apostles are often much more important than public apostles, who usually appoint themselves.

[NEPSZABADSAG] Given that we are talking about apostles, do you not think that there is a danger of spokesmen for irrational and extreme tendencies appearing in the form of populists, or under different guises?

[Goncz] Society has to be able to endure even extreme viewpoints. The more society endures these viewpoints, the more it can rest assured that these points of view will not afflict it again. However, that is only half of the question. Without a doubt, social tensions can give rise to irrational viewpoints and to the strengthening of social demagogy. If information channels are established within a society, if information works properly, and if people know what they are undertaking, and why they are doing so—even if they have to make sacrifices—then extreme forces will play a much smaller part than if we let society fumble in the dark as far as its destiny is concerned.

[NEPSZABADSAG] Here, in your office, in the parliament building, it is logical to ask you whether you think that people are satisfied with the parliament that they have elected?

[Goncz] There are a lot of delusions. The public does not know exactly how parliament works. I receive angry letters complaining about the small number of parliamentarians present in the House. The authors of these letters have absolutely no idea that most parliamentary negotiations take place in the corridors. If the conference hall is empty, it does not mean that the parliamentarians are lounging around; that is precisely when they are working, negotiating, or beating their fist on the table of some national office. They do all this in the interest of their electorate. Incidentally, I think that the Hungarian parliament has set a world record. Even if one deducts the percentage of drop-outs, considering the number and quality of the laws passed, our parliament has strained itself to the utmost in its work. In my opinion, the anti-parliamentarian mood that one sometimes comes across is unfounded.

[NEPSZABADSAG] You previously mentioned good words, but now you are talking about tempers. Could these tempers be calmed down? Is it possible to placate them?

[Goncz] When reading the letters that I receive, I often have the impression that the less people have suffered, the more unwilling they are to calm down. I once received a compensation demand of several hundreds of thousands of forints from somebody who had been imprisoned for three days, and who had subsequently emigrated to Germany, where he was now working as a chief engineer. On the other hand, I have never come across a single "your excellency," a person who had previously been condemned to death, who would have asked for a similar compensation. [sentence as published] Naturally, it is true that some things cannot be compensated for or put right. A sense of justice and the will to make peace with others is present in every one of us. So, after all that, if I stand up and deliver a speech, saying that this country is still ruled by Stalinists who should all be totally wiped out, then I receive exactly the same applause as if I had said that we should all make peace and hold each others' hands. It is impossible to demand that all members of the former public life be wiped out, and at the same time to demand that those who are still in public life today should be loyal under the shadow of such a threat. One cannot chase a dog with a stick if there is a rabbit running around....

It would be worth thinking about all this in a rational way, but we have to realize that in the head of every average Hungarian, including ourselves, there are the elements of at least three series of values. First, there is the socialist order of values, which sank deeply into people's consciences over a period of 40 years. This order proclaims equality, it would ideally like to wipe out any differences in income, and it believes that making a profit out of business is tantamount to

cheating. Second, there is also the national order of values, which places the values of ethnic belonging almost above anything else. Lastly, there is the Christian order of values, which advocates patience and forgiveness. We have not really examined which of these fragments of judgment or elements of view are the strongest or most dominant. However, it is probable that no element is stronger than the others, or rather, that a particular element is brought to the forefront according to a particular development in the general situation.

[NEPSZABADSAG] Mr. President, diplomats are not the only ones to watch you like a hawk when you travel somewhere. It is interesting to note that your first trips took you to the capitals of our neighboring countries. Why was that?

[Goncz] I give absolute priority to Hungary's relations with its neighboring countries. That is followed by regional cooperation, which leads us to the Europe of regions. In our region, as far as Hungary is concerned, our relations with Germany and the Soviet Union are clearly of the utmost importance. In fact, I would prefer not to say Soviet Union; I would rather talk about our relations with the Soviet region, because fundamental changes are taking place in this domain. We cannot change our geographic position in Europe. Nor can we alter our friendships; we just have to extend them. Furthermore, we would be ill advised to categorize by saying that we have improper, proper, or warm and friendly neighborly relations with a particular country....

[NEPSZABADSAG] Naturally, this categorization is related to the national minority issue....

[Goncz] That is correct, and I would add that Eastern Europe is a rich tapestry of peoples, nations, and national minorities. The national minority issue is not particular to Hungary, it is a question that also concerns other nations. A definite solution would only be possible on the basis of international norms; in other words, ethnic minorities, like all other minorities, should be granted all individual and collective human rights. This is happening at a time when the development of the focal point of the current crisis is against our interests. The disbanding of state organizations is also against our interests. It is happening at a time when national minorities can be regarded neither as hostages, nor as pawns on the domestic policy chess board. Naturally, allow me to stress that this approach also requires certain standards on our behalf. [passage omitted]

Spokesman Confirms Amounts of Ammunition Stolen

LD3012212790 Budapest MTI in English 2009 GMT 30 Dec 90

[Text] Budapest, December 30 (MTI)—Major amounts of ammunition, including that used for submachine guns, as well as hand grenades and explosives were stolen from the ammunition warehouse of the supply regiment in Szekesfehervar, western Hungary. The theft was discovered on Saturday [29 Dec], however, the crime was probably committed earlier, Gyorgy Suha, spokesman of the National Police Headquarters, informed MTI on Sunday.

The spokesman set forth the joint communique of the National Police Headquarters and the Ministry of Defence. The communique reports that unknown criminals have burglarized various military objects in the past period, to acquire weapons, ammunition, and explosives. In November, six and submachine guns and 10 magazines were stolen from the weapons repair shop of the pontonier regiment of Ercsi, near Budapest. The military attorney's office and police are continuing investigations in these cases, with the involvement of major forces.

Assembly Committee Cautions Albania on Using Force

LD3012205590 Budapest MTI in English 1839 GMT 30 Dec 90

[Text] Budapest, December 30 (MTI)—The Foreign Affairs Committee of the Hungarian National Assembly has addressed a message to the Foreign Affairs Committee of the Albanian parliament, on the basis of a recent visit by members of the committee to Albania, and in connection with the events currently taking place there.

In the message, the Foreign Affairs Committee of Hungarian parliament welcomes the advancement process in Albania, the announcement of a multi-party system, and the talks that opened between the newly organizing parties and representatives of the power, in the interest of a peaceful transition.

The document notes: The Hungarian experiences of 1956, and the Czechoslovak events of 1968 caution that the use of force merely postpones, but does not solve the fundamental problems of society. According to signs, the majority of the Albanian people show a sober conduct in the democratization process, and it is hoped that extremist phenomena will not impede the advancement of democratic transformation.

The Foreign Affairs Committee of the Hungarian National Assembly offers to assist the Albanian peaceful democratization process with its own experiences and possibilities, by always respecting the will and sovereignty of the Albanian people. In harmony with this, the committee is ready to create close cooperation with the Foreign Affairs Committee of the Albanian parliament.

The message was presented to representatives of the press in Budapest on Sunday by two members of the Foreign Affairs Committee who visited Albania. They said they would again travel to Albania on January 10, on the basis of a foreign affairs committee resolution, and would take with them the official document which includes the elimination of compulsory visas for diplomatic and official (duty) passports.

Taxes To Be Levied on CEMA Country Imports

LD2712140590 Budapest MTI in English 1259 GMT 27 Dec 90

[Text] Budapest, December 27, 1990 (MTI-ECONEWS)—Under a new joint decree of the Ministry of International Economic Relations and the Ministry of Finance, to be made public within a few days, as from January 1, import duties will be levied on goods from the Comecon countries. Up to now, imports from those countries were duty free.

A Ministry of Finance spokesman told MTI-ECONEWS that preferential import duties will be applied in the case of Mongolia, Vietnam and Cuba, which are regarded as developing countries.

In the case of the other former socialist countries, import duties will be levied in conjunction with the most-favoured-nation principle.

Accordingly, the average import duty will be 16 per cent.

It is still being debated whether the current 40 per cent duty on utility vehicles [will] be reduced to 20 or 12 per cent. Since this would considerably reduce the income of the budget, it lies with the government to decide about the cut and products to be affected by it.

An average 5-10 per cent of the budget incomes derives from customs duties.

Walesa's Committee Issues Statement on Elections

LD2712233990 Warsaw Television Service in Polish 1830 GMT 27 Dec 90

[Text] We have received a statement from the Presidium and the Political Commission of the Citizens' Committee attached to Lech Walesa. We read in it, among other things:

It is important to respect the results of the voting in the presidential elections, that is, to respect both what the electors have supported and what they have rejected. The most pressing task is to formulate and implement a new economic program which will maintain the existing policy—leading to a market economy, privatization, and the containment of inflation.

The date of the parliamentary elections cannot be dependent on the character of the government and its program. It is essential to have a break-through government and a new parliament worthy of the beginnings of the third republic.

Walesa Holds Political Talks To Form Government

Meets With Outgoing Prime Minister

LD2712231990 Warsaw PAP in English 1712 GMT 27 Dec 90

[Text] Warsaw, Dec. 27—After spending the Christmas holiday in Gdansk, President Lech Walesa arrived in Warsaw where he held political talks.

At noontime Walesa met with outgoing Prime Minister Tadeusz Mazowiecki. The talks lasted an hour. Asked about its results, Walesa told reporters that it was still too early to speak of such, adding that he would spend the coming days in Warsaw and "will continue to ponder on the issues."

Walesa also said: "Mr. Prime Minister stated that it will be necessary to put things together. As friends—once and today—we are trying to figure out what would be most advantageous for Poland. I think that we will draw conclusions from this discussion and that something good will surface from this for the future.

"During the electoral struggle we uttered a few sharp words against each other and we must cool things down somehow. For 10 years, in the most difficult period we were friends. We managed matters well. I think that even the electoral campaign did not disrupt our friendship... I cannot imagine a case in which the prime minister would be lacking in work for the good of Poland along with me, with us. This is impossible. The prime minister's patriotism will not allow this. When we heal these wounds is a matter of time."

Referring to these words, Mazowiecki said that they concerned the electoral campaign. "As the prime minister I informed (the president) about the state of the country. We chiefly spoke about the future. This was our tentative discussion. I think that before us are all the possibilities, depending on what road for Poland we decide to take," Mazowiecki added.

In the afternoon President Lech Walesa held talks with Jan Krzysztof Bielecki, Jacek Merkel, Mieczyslaw Gil, Michal Boni, Jaroslaw Kaczynski and Adam Michnik. The consultations focused on matters pertaining to the formation of a new cabinet. The date of the parliamentary elections was also discussed.

After the talks, Mieczyslaw Gil, the leader of the Citizens' Parliamentary Floor Group, said that his conversation was short but had a matter-of-fact character. "Various alternative solutions were mentioned, also personal," he said.

Jan Krzysztof Bielecki said: "I was in favour of a government of experts. I think that January 6 is the feasible date by which the cabinet can be formed." Bielecki did not confirm that he was entrusted with the mission to form the cabinet but was not surprised by this question.

Jaroslaw Kaczynski: "Two weeks ago I was offered to assume the highest post in the government. I refused as I regarded the work in the Centre Agreement as more important. Another thing is whether in the present-day, complicated situation I shall not accept a state post, not necessarily in the government."

Adam Michnik: "My conversation with the president lasted an hour and 45 minutes. We talked about the current situation in Poland and its prospects. We discussed various variants of and perils to the democratic transformations in our country. I am convinced that the conversation will be continued."

While commenting on today's talks, Lech Walesa's press spokesman Andrzej Drzycimski said that they were very intense and their results could be expected soon. He said that so far there were no such talks which would fail to produce a common plane or ended in misunderstanding.

Drzycimski said that Jan Krzysztof Bielecki is one of the serious candidates for the post of prime minister but the final decision has not been made yet. The president announced he would continue talks with some of the persons he talked to today, for instance the premier, Mieczyslaw Gil, Jaroslaw Kaczynski.

Drzycimski said that President Lech Walesa would meet here tomorrow with Soviet Ambassador to Poland Yuriy Kashlev and would hold his first press conference in one of the Warsaw plants. Expected are Walesa's talks with Bronislaw Geremek and Zdzislaw Najder.

Makes First Official Appointments

LD2812153890 Warsaw Television Service in Polish 1500 GMT 28 Dec 90

[Text] President Lech Walesa has made the first decisions regarding personnel. Jaroslaw Kaczynski becomes head of the Presidential Office in the rank of minister.

Jacek Merkel is appointed minister of state in the Presidential Office. He will be dealing with the defense and security of the state.

This information was given to journalists by Andrzej Drzycimski, who also said he has been appointed the president's press spokesman.

Confirms Balcerowicz To Retain Post

LD2812204190 Warsaw Domestic Service in Polish 2000 GMT 28 Dec 90

[Text] President Lech Walesa has today been continuing successive political consultations on the creation of the future government. The president's press spokesman, Andrzej Drzycimski, stated that the talks will continue tomorrow. He added that proposals for personnel to fill all the posts in the new government are already prepared, including several candidates for prime minister. The name of the person designated for prime minister will probably be revealed by the president next week, before the coming meeting of the Sejm, which is envisaged for 4 January.

Andrzej Drzycimski, when asked by journalists about the place in the future government of Leszek Balcerowicz, replied that he will remain deputy prime minister. He also confirmed that Jan Krzysztof Bielecki is among the candidates for the head of the new cabinet.

Retains Defense Minster Kolodziejczyk

LD2912154390 Warsaw Domestic Service in Polish 1500 GMT 29 Dec 90

[Text] President Lech Walesa met with Minister Krzysztof Kozlowski today. After the meeting the head of the Ministry of Internal Affairs said that he was not interested in any post in the new government. After meeting the president, Admiral Piotr Kolodziejczyk accepted a proposal to continue in the post of the minister of national defense.

Lech Walesa also met with Aleksander Kwasniewski and Professor Bronislaw Geremek. Following the meeting, Professor Bronislaw Geremek told journalists that his conversation with the president took place in the very special political situation, and from Lech Walesa it was a gesture of concluding the election campaign.

Nominates Bielecki for Prime Minister

LD2912142290 Warsaw Domestic Service in Polish 1400 GMT 29 Dec 90

[Text] The speaker of the Sejm, Mikolaj Kozakiewicz, today received from President Lech Walesa a resolution for the appointment of Jan Krzysztof Bielecki to the post of prime minister. This resolution is expected to be considered during the next session of the Sejm which will begin on 4 January 1991.

Bielecki Discusses Candidacy

LD2912175690 Warsaw Television Service in Polish 1615 GMT 29 Dec 90

[Comments by Jan Krzysztof Bielecki, candidate for the post of Polish prime minister, on 29 December; place not given—recorded]

[Text] In the next few days, I will try to form a cabinet and propose some sort of concept—of personnel and, above all, substantive—for if we are to assess this personnel decision—that is, the choice of myself, made by the president—then we have to understand this as the president setting economic problems as those of the greatest importance and as an attempt to enter a program of adjustments—one which is extremely difficult for Poland—within the framework of a huge transition from a system of economic unreality—that is, a centrally planned economy—to a market economy, some sort of fusion between that which one talks about within the framework of certain assumptions of typical adjustment programs and that which is close to my heart—that is, the practice of the functioning of the economy—in the state sector and the private one, as well as the cooperative one. Regarding this, the concept of the government which, I hope, will arise from this will be an original concept based on a collective program, based on a unity of thinking in financial categories, in categories based on the fundamental assumptions implemented by the Balcerowicz Plan, which was that cash must stay in Poland, that is obvious. At the same time, these must be people who will have a great amount of practice—which may come as a surprise to you, ladies and gentlemen—people who are as unknown as I am to you, but who, however, have that unity of thinking, who understand that one can talk about housing problems also in the categories of a financial infrastructure and not necessarily in the category of a technical ability of building houses.

I understand that, when I am ready, I will appear in parliament and, within the framework of the so-called expose, I will try to present my reasons and a brief version of what I believe we should do in this period, this definitely marked period, because I consider this—and this is perhaps the most important thing I had to say here—as a service to the state, a service to Poland, and I would wish to end it at free elections. I hope I will be able to execute my duties in an acceptable manner.

Walesa Returns to Gdansk for New Year's Eve

LD2912220790 Warsaw PAP in English 1852 GMT 29 Dec 90

[Text] Warsaw, Dec. 29—Accompanied by his closest associates President Lech Walesa returned tonight to Gdansk, northern Poland.

The president intends to spend the next three days here, including New Year's Eve when he expects to put in some work at his Sopot headquarters.

Lech Walesa plans to greet the coming of 1991 among his family.

The president's national address is going to be televised from Gdansk live.

Polam Plant Workers Offer Suggestions to Walesa

LD2712160990 Warsaw Domestic Service in Polish 1500 GMT 27 Dec 90

[Text] In his first day of work as president, President Lech Walesa met the work force of the Polam plant in Warsaw. The conversation dealt mainly with what is to be done to avoid making mistakes in the future. Various economic actions as well as different advisers were suggested to the president. Lech Walesa said, among others things: Let us think what to do with Poland. I am at your disposal. Poland is free and I will serve you.

To a question on why he chose Polam works, he replied: Because women are wiser, and I want them to participate in governing, too.

Walesa Talks With Electric Plant Workers

LD2712212390 Warsaw Domestic Service in Polish 1800 GMT 27 Dec 90

[Text] This afternoon, Lech Walesa paid a visit to the electric lamp plant in Warsaw. For 40 minutes he talked with workers in the halogen department. Here is our report:

[Begin recording] [Walesa] I turn to you with the question—dear girls, what am I... [interruption—laughter and applause] What am I to do? I have agreed to be your president, a workers' president, and not one that plays, that travels, I do not know, organizing dinners. That does not suit me. What suits me is to serve you, but to make use of your wisdom.

There is a lack of resources for development. Profitability is near zero. The average wage is very low. I will not employ, even in conditions of this low unemployment, people from Warsaw. That is why it is possible to employ people in a private company, pay one and a half, two times more than in an enterprise, and get on with production, and one cannot do this in this place with these workers [as heard].

Mr. Director, well, I expected something else. I expected that it will be you who will tell me how to do this... [interruption, laughter] ...having such capital... [interruption—cries and applause] ...with girls such as these, that they are unproductive? Unbelievable.

[Unidentified speaker] Oh, no....

[Walesa] No, hang on a moment, hang on a moment, hang on a moment. I want to put it differently, that I as president will do everything from above that will assist your independence, but to you, Mr. Director, I have a request. You have to propose, your staff, your people have to propose things so that these people have a number of variants, and each one better than the next. I will merely not disturb you, and will reject all the regulations that disturb and block you. I will give you maximum independence. Here, almost every day in this difficult time, I will travel around the enterprises, encourage you, because this is yours, after all. Well, take this management to task, take them, why has it not presented its plans? Why are you not earning well? Why is there unused capacity? But not me, I will demolish things, I will go around like a battering ram, but I will only come in and encourage you.

[Unidentified speaker] The topic is being discussed, that in essence the new president should change the government and leave parliament. On the other hand, I have a question, can we afford to organize elections every two years, every year, every half year? The new people who are chosen will not yet succeed in learning politics, yes, decisions, the undertaking of decisions, the passing of laws, yes, and we already want to change them for a new team. Is this worthwhile for us?

[Walesa] [Words indistinct] that this is not worthwhile for us, but up until this moment the contracts that even I have made at the roundtable were an imposition. So as not to risk matters of, I do not know, the east, [word indistinct], and internal disturbances, I had to agree to nondemocracy. On the other hand, with the internal situation improved, I have now decided to give you access to governance. Although you might be even worse, but as a result of democracy, OK? [as heard] Such is the logic. I agree with you, it is not worth our while, and Walesa costs a lot too, but I do not know if another president would come to see you. More than that, I say, it is not allowed to greet me, to give overly long speeches, it is not allowed to give me flowers, it is not allowed to give me presents.

[Unidentified speaker] It is appropriate to choose intelligent advisers, and I could already finally propose one such adviser for the president—Zbigniew Brzezinski.

[Walesa] Ladies and gentlemen, Brzezinski would have to want that, too. I know Mr. Brzezinski, I have talked a lot with him. Of course, he is very intelligent, politically he surely [words indistinct] than us. In the Polish complications—well, I do not know if he would even cope. It is necessary to live here, it is necessary to see these shady dealings here, these swindles, and I, no, well, because... [interruption—applause and cheers] I have myself swindled, in any case, I have lived by my wits, like you, that is why for me this is straightforward. On the other hand, for Mr. Brzezinski, too, our complications would not be so straightforward.

[Unidentified speaker] How do you (?evaluate) the tax system, the present one, [words indistinct], all the citizens of this country?

[Walesa] Do not demand of me that I be a supergovernment. I have only said that I will very much look at whether the nation is satisfied, whether or not good laws are being made for the nation, whether the government has a good course in the social estimation, or is a correction required? So, I will

be this kind of regulator and provocateur of events, provocateur of questions and problems, to ensure that they are relevant. Even if they cannot be resolved he would say listen, no way, well look, well come along girl, woman, come along and look. I want to, but I cannot, well look, understand, help, clarify, there you are. And so, a regulating president and very sensitive to and serving you. [as heard] [end recording]

Commentary Views Jaruzelski's Political Departure

AU2712204590 Warsaw GAZETA WYBORCZA in Polish 22-26 Dec 90 p 3

[Adam Michnik commentary: "Farewell to the General"]

[Text] I did not vote for General Jaruzelski when he was being elected president. The nature of his past and my past made that impossible. My fear for the future also played a part in my decision.

Regarding his past, this is strongly linked to the introduction of martial law and all that happened after, namely, the attempt to reinstate a totalitarian system through the use of bayonets. Added to this, there is also that whole post-war period before martial law; the years of being a part of the Communist power elite and participating in the invasion of Czechoslovakia 1968. My past is heavily influenced by a prisoner's mentality and a feeling of political solidarity with all people who are deprived of their rights. I saw General Jaruzelski as the apex of a vast iceberg of communism that had paralyzed my country.

I also feared for the future. I was afraid that he would not remain loyal to the democratic process and would start to create a new power base or shadow government that would have very extensive powers. I was afraid that he—using his contacts in the Soviet Union, the Polish Armed Forces, the security apparatus, and former nomenklatura—would begin to interfere to paralyze our democratic evolution.

Soon after the "roundtable," I publicly stated that I had been wrong in my opinion of Jaruzelski. I believed that Jaruzelski's removal was a necessary precondition before a full opening of the democratic process could take place. This had always been the rule in the communist system, a personal change at the top usually presented an opportunity for a little more democratization. This time, however, things turned out differently. The same person who ordered martial law throughout Poland, also began the process of easing Poland out of its military and police straitjacket. This was the real message of the "roundtable" agreement. We all feared for the future. We thought that General Jaruzelski would pose a grave danger to the "Solidarity" movement and oppose the process of destroying communism in Poland.

Things turned out differently. Analyses of General Jaruzelski's person and his political road, will continue to provoke heated debates. I too have made my own and strictly personal analysis of General Jaruzelski's policies during the martial law period. The result shows him in a totally negative light. I do not make any apologies for that previous analysis, although I perhaps now regret some of my more extreme formulations.

Today, I would like to say something (this is strictly my personal opinion) about his time as president. It was a difficult period. As president, General Jaruzelski remained totally loyal to the democratic process. He respected the law and the pluralistic nature of Polish society. The manner of his departure from the Belvedere Palace shows true class, worthy of admiration. For the last 12 months, the author of martial law showed himself to be a president who remained true to a Poland that was groping its way towards democracy, normality, and Europe. Poland should bear this in mind when it remembers Wojciech Jaruzelski.

New Official Price Hikes Set for 1 Jan

LD2912200590 Warsaw PAP in English 1720 GMT 29 Dec 90

[Text] Warsaw, Dec 29—The official retail prices for electric power and gas will go up by 20 and 80 percent respectively as of January 1, 1991.

As of January 7, 1991 the charges for post and telecommunications services in relations with post-communist countries will be by 250 percent higher.

The supply prices for gas and electricity paid by enterprises will also be raised. The hikes of 60 percent for gas and 15 percent for electric energy will be introduced as of February 1, 1991 in order to alleviate the effects of the rises.

The price relations are to be straightened up by 1995.

Media Official Interviewed on TV Independence

AU2812094390 Warsaw RZECZPOSPOLITA in Polish 21 Dec 90 pp 1, 2

[Interview with Jan Dworak, deputy chairman of the Radio and Television Committee, by Jacek Lutomski; place and date not given: "Only Independence"]

[Text] [Lutomski] In June of this year you said that television's status as a government institution was a strong foundation for its independence. Do you still hold that view?

[Dworak] Yes, I do, but I have to remind you of the context in which I made that statement. I was talking about this government and the particular legal and formal framework within which television was operating at the time. This government was very reluctant to interfere in the work of radio and television, although formally radio and television were subordinated to it. However, I am not saying that this is some kind of ideal or model solution.

[Lutomski] What would be the best solution?

[Dworak] The complete independence of radio and television from any kind of influence exercised by a political center.

[Lutomski] So, why was it not possible for you to have your draft bill forced through in the government, the one that was to provide for the appointment of an independent Radio and Television Council? In the end the government draft placed the mass media under the minister of transportation and communications, not the government. Was television's influence in the government too weak?

[Dworak] There really is that one fundamental difference, the one that you noticed, between the July and October drafts. It is not as much a question of subordination as of powers, and, above all, the national council's power to issue binding decisions and its executive powers. The later bill reduced its status to one of an advisory body. It is true that our lobby turned out to be too weak. The argument that prevailed was that a further central administrative body should not be created, because there already are appropriate ministries for dealing with these issues.

[Lutomski] You mentioned that Tadeusz Mazowiecki's government was very restrained with respect to intervening in television. To what extent did the election campaign and the prime minister's participation in it alter that situation?

[Dworak] I can say categorically that there was no pressure on us from the people organizing the prime minister's election campaign to exploit what could be termed the "natural" advantage stemming from television's formal subordination to the government. We mainly felt pressure from the president-elect's campaign staff. This can be seen from the protests that were received.

[Lutomski] Television journalists complained that their "hands were tied" and that television's directors showed little determination in defending their interests vis-a-vis the State Electoral Commission.

[Dworak] I have a clear conscience. Of course, we did make mistakes, but the main reason for these was a lack of experience. That applies to everyone involved—those who framed the law on the election of the president, the State Electoral Commission, journalists, the heads of radio and television, the politicians, and, perhaps, all of society. The tone of accusations of a similar kind seems to me to be inappropriate and lacking in seriousness, because it strongly suggests that there is a desire to find a scapegoat and that there is a failure to understand the mechanisms behind social phenomena. As for the journalists themselves, it can easily be countered that if they had kept to the principle of an "equal distance" regarding all candidates, then they would be suffering from less of a professional hangover now. The very accurate records of the allocation of time that we kept suggest that even before the first round, one could have said significantly more about Tyminski. After the first round, I asked for a report to be prepared on Tyminski in Poland. After all, he had lived in Komorow, and people knew him there. I was amazed to hear that journalists had no information on that. This was a serious omission, and then later it had already become impossible to rectify it.

[Lutomski] Why was more not said during the campaign?

[Dworak] I would like to say once again that television, radio, the press, and journalists cannot be blamed for all the negative phenomena that occurred during the election campaign. That is just looking for a scapegoat. Television is a very convenient scapegoat for everyone who experienced some disappointment. If the credibility and independence of television has been called into question by various groups on the political scene over the past 18 months, then it is not possible to demand that television should suddenly, overnight become credible and independent, and that people should look at it in a new way. It transpired that the independence of television, the press, and radio is something that has to be fostered on a day to day basis. That is what pays dividends in social terms!

[Lutomski] What general conclusion have you drawn from the election campaign?

[Dworak] Precisely what I have just said! Genuine independence is the only solution for television. Whenever television made concessions to politics, even in good faith, it turned out that this was always a mistake to a greater or lesser extent. There was always a price to be paid. Independence should also be considered from the angle of journalists. I would like to point to the courage and boldness that journalists displayed in their treatment of Tyminski, and how restrained they were in their treatment of the other candidates who enjoy a definite standing in society.

[Lutomski] How would you assess the time that you have spent in running television....

[Dworak] Perhaps it is not appropriate for me to say so, but I think that it has been positive overall. Let us consider some concrete facts. Polish television no longer has any debts, although it had considerable debts at the beginning of the year. We could even make some investments in equipment. We significantly increased the number of hours we broadcast, especially on the second channel, from 5.5 hours to 17.5 hours a day. There are a lot of popular programs, especially popular series. In 1991 we should complete the foundations of a modern public television network. The prime minister told the Sejm that the government is resigning at a halfway point. I think that television has also reached a halfway point. In addition, it should not be forgotten that this was an exceptionally difficult year.

Government Advises Citizens To Avoid Gulf Region

LD2812213790 Warsaw PAP in English 2049 GMT 28 Dec 90

[Text] Warsaw, Dec. 28—In view of the rise in tension and the possibility of hostilities in the Persian Gulf, the Polish Foreign Ministry has advised Polish citizens

against making tourist and private visits to countries of that region, that is, to Iraq, Kuwait, Saudi Arabia, the United Arab Emirates, Bahrain, Qatar and Jordan till the situation becomes clear.

The ministry has also recommended Poles to limit business trips only to necessary cases.

At the same time, the foreign ministry has suggested to suspend trips to other Middle East countries, including Syria, Lebanon and Israel.

Two Navy Ships Leave for Gulf 29 Dec

LD2912194190 Warsaw PAP in English 1835 GMT 29 Dec 90

[Text] Gdansk, Dec 29—Two Polish navy ships: "Wodnik", turned into a hospital vessel, and rescue ship "Piasst", set out from the Gydnia-Oksywie navy port for the Persian Gulf this afternoon.

In tune with the governmental decision made in reply to the U.N. Security Council resolution, the Polish ships will operate in the Gulf region as part of international forces there.

The crews of both vessels number nearly 140 people, including a 17-strong medical team. It will be possible to treat 150 casualties at a time at the "Wodnik" ship.

The voyage to the Persian Gulf will last for some three weeks. It is still uncertain where the vessels will be anchored as Saudi Arabia hass suggested three ports.

Walesa, Soviet Envoy Focus on Developing Relations

LD2812132190 Warsaw PAP in English 1253 GMT 28 Dec 90

[Text] Warsaw, Dec. 28—Polish President Lech Walesa met with Soviet Ambassador to Poland Yuriy Kashlev today. After the meeting Walesa told newsmen that the talk had focused on the development of relations between Poland and the Soviet Union and individual republics. He asked the ambassador to extend greetings to Soviet President Mikhail Gorbachev.

Kashlev said that discussed was the signing of new agreements on good neighbourhood, the withdrawal of Soviet troops from Poland, trade and economic cooperation as well as the stay of Poles in the Soviet Union.

As the president said, we should not add to our problems but solve them in the spirit of friendship and good neighbourhood, the ambassador stated. I am of the opinion that, with the election of Lech Walesa for president, continued and improved (in some cases) will be conditions for good, partner-like, nonideological relations between our nations, both with the Soviet Union and neighbouring republics, Kashlev stated.

Agreement Covers Joint USSR Materials Trade

LD3012212290 Warsaw PAP in English 1857 GMT 30 Dec 90

[Text] Warsaw, Dec. 30—Directly before Christmas Poland and the Soviet Union signed in Moscow an agreement guaranteeing Polish exports of many goods to the USSR as well as imports of raw materials and other items of trade from that country in 1991, this being aimed to cushion switching to accountings in hard currency in mutual turnover as of the beginning of next year.

The agreement lists raw materials, goods and services of strategic importance for both countries. Also, the USSR is going to centrally allocate hard currency for imports from Poland.

The list includes the following goods and services imported by Poland from the Soviet Union: 7.1 billion cubic metres of natural gas, 6.62 billion kwh of electric power, 3 million tonnes of iron ore, 1 million tonnes of pig-iron, machinery worth 150 million dollars and 4.5 million tonnes of oil. The Polish side will also hold separate negotiations with republics and extracting enterprises on further deliveries of oil.

Among Polish exports to the Soviet Union are listed 5 million tonnes of hard coal, 1.5 million tonnes of coke, 800 thousand tonnes of sulphur and pharmeceuticals worth 350 million dollars. Also enclosed is the list of Polish goods exported for the Soviet oil extraction industry.

Prosecutor on Murder of World War II POW's

LD2812223290 Warsaw PAP in English 2034 GMT 28 Dec 90

[Text] Warsaw, Dec. 28: "We have an impression that the investigation into the murder of Polish prisoners of war [POW's] from the camps in Starobelsk, Ostashkov and Kozelsk has been carried out by the chief military prosecutor's office in the USSR honestly and thoroughly," said Deputy Prosecutor General of the Republic of Poland Stefan Sniezko at a press conference here today while presenting the results of his recent trip to the USSR.

The Soviet side will shortly officially ask Poland's prosecutor's office for certain procedures such as the hearing of the members of families of POW's who live in Poland. It was confirmed that Polish prosecutors would be allowed to participate in the exhumation of ashes of Polish POW's near Kharkov the date of which has been set for May-June of 1991.

For the first time ever, Polish prosecutors could familiarize themselves with the material evidence on the matter, now 35 volumes of documents, including the protocol of the hearing of the notorious head of the NKVD [People's Commissariat of Internal Affairs] department for POW's Soprunenko, who seems to have said less than he knows.

Polish and Soviet prosecutors will meet again in February and March.

Foreign Ministry Communique on Mihai Visit

AU2812181290 Bucharest Domestic Service in Romanian 1800 GMT 28 Dec 90

[Text] We will now present a press communique on behalf of the Ministry of Foreign Affairs:

On the evening of 25 December 1990 Mihai of Hohenzollern, together with his wife and one of his daughters, as well as other people, arrived in Bucharest aboard a private plane.

Romania's Civil Aviation Department granted permission for overflight and landing at Otopeni International Airport on the basis of an application that stated that the plane was to arrive with a group of businessmen. The list of the six passengers presented did not include the name of Romania's former king nor the names of the family members, who were accompanying him.

However, Mihai of Hohenzollern, his wife, and his daughter stepped out of the plane. When their documents were checked, it was noted that Mihai of Hohenzollern and his wife Anne were holding diplomatic passports issued by the Danish authorities, without having, however, an entry visa to Romania, which, in accordance with the regulations in force, is granted only by the Ministry of Foreign Affairs or the Romanian diplomatic missions or consular offices.

Consequently, the two were asked to wait until this situation had been reported to the relevant authorities, so that a decision could be made. The former king and his wife did not wait for this decision but left their passports at the border checkpoint. Thus they forced their way across our country's state border and got into automobiles, which were already waiting, and departed at full speed. The convoy of automobiles was finally stopped on the Bucharest-Pitesti highway and the two were taken back to Otopeni Airport, where, after being told why their trip had been curtailed, they accepted boarding the plane put at their disposal by the Romanian Aviation Company.

The plane took off on 26 December at 0543.

As far as the legal status of Mihai of Hohenzollern vis-a-vis the Romanian state is concerned, it has to be specified that, on the basis of a decision of the Council of Ministers, his Romanian citizenship was canceled on 22 May 1948.

After the 22 December 1989 revolution, Mihai of Hohenzollern had all possible opportunities to settle his situation. Thus, in accordance with Articles 1 and 2 of the Decree-Law No. 7 of 31 December 1989, the right to repatriation is guaranteed to Romanian citizens abroad who desire to return and to settle in Romania, a right which is also recognized to former Romanian citizens who are able to regain their Romanian citizenship upon request through repatriation.

The Romanian authorities have no knowledge about any action by Mihai of Hohenzollern to make use of the provisions of the decree in question. At the same time, Decree-Law No. 136 of 11 May 1989 stipulates that former Romanian citizens, who before 22 December 1989 lost their Romanian citizenship for various reasons, may regain it upon request on the basis of a certified declaration abroad at Romania's diplomatic missions of consular offices, and in the country at the State Notary of Bucharest Municipality even if they hold another citizenship and do not take up residence in Romania. In this affair, the Romanian authorities have not registered any steps on the part of Mihai of Hohenzollern to regain his Romanian citizenship, the press communique of the Ministry of Foreign Affairs concludes.

Interior Ministry Communique on King's Visit

AU2812210890 Bucharest ROMPRES in English 2019 GMT 28 Dec 90

[Communique from the Interior Ministry; place and date not given]

[Text] Bucharest ROMPRES 28/12/1990—Ex-King Michael of Hohenzollern lost his Romanian citizenship in 1948 in compliance with the Resolution No. 797 of May 22, 1948 issued by the Council of Ministers in accordance with the laws of January 19, 1939 and December 9, 1940. Now he is a British citizen as also attested to by his British Passport No. 750008388, which he actually presented to the Romanian Embassy in Bern in April 1990 to get an entry visa to this country, shows a statement the Ministry of the Interior of Romania distributed to the press on Friday.

On December 25,1990, the ex-king showed at Otopeni Airport diplomatic passports issued by the Danish authorities both for him and his wife, which had no entry visa to Romania that is given only by the Ministry of Foreign Affairs, the diplomatic missions and consular offices of Romania and not by frontier check points.

At the Bucharest-Otopeni check point, the ex-king, taking advantage of the indecision and lack of professionalism shown by some clerks of the general passport, frontier check and foreigners' evidence department, left the passports there without waiting for a legal resolution of the situation and, together with the 18 persons who were accompanying him or were awaiting him at the airport, got on five cars speedily making for Bucharest and, afterward, for Curtea de Arges.

Assessing that both through his action and through his attitude the ex-sovereign did not abide by Romania's laws, the Ministry of Interior decided to interrupt his illegal journey and take him out of the country.

On the basis of its attributions in conformity with the country's laws, the Ministry of the Interior states that it fully observes the foremost human rights, including each and every citizen's right to free circulation. Moreover, it

specifies that it will never tolerate under any reason the violation of the laws which safeguard national sovereignty and dignity, the order of law and the Romanian people's fundamental interests.

Minister Reports

AU2912175590 Bucharest ROMPRES in English 1649 GMT 29 Dec 90

["Minister of the Interior Answers Parliament's Interpellation"—ROMPRES headline]

[Text] Bucharest ROMPRES, 29/12/1990—On Saturday, December 29, the Senate met in its last session in plenum of this year. Present was Minister of the Interior Doru Viorel Ursu who answered the invitation extended to him by the Senate to inform the legislative forum about the events concerning the unexpected arrival as Mr. Alexandru Barladeanu, president of the Senate, had qualified it of ex-King Mihai of Hohenzollern.

We should first make clear the present status of the former king, Mr. Doru Viorel Ursu said. Mihai of Hohenzollern is not a Romanian citizen. Both he and other former royal family's members lost their Romanian citizenship in compliance with the resolution No 797 of May 22, 1948 issued by the Council of Ministers and published in "MONITORUL OFICIAL" no 122 of May 28, 1948. That decision was taken in accordance with two laws: one in Carol the Second's time, namely the Law of January 19, 1939, and one in Mihai's second period of sovereign, namely the Law of December 9, 1940. According to the Decree No. 33 of January 24, 1952 on the Romanian citizenship, citizens of Romania are those persons who had legally obtained it and had not lost it. Afterward, Mr. Doru Viorel Ursu underscored, the ex-king made no demarche to re-gain his citizenship although, in keeping with the Decree-Law No. 137 of May 11, 1990, former Romanian citizens who had lost their Romanian citizenship from one reason or another before December 22, 1989 can regain it at request on the basis of a legalized declaration.

According to our information, Mihai of Hohenzollern is a British citizen as also attested to by his British passport which he presented to the Romanian embassy in Bern in April 1990 to get an entry visa to this country. It is known that each country issues passports only to its citizens. We have the number of the British passport of Mihai of Hohenzollern, that is 750008388, on which the entry visa no 48899 was put on April 5, 1990. Therefore, on April 5, 1990 Mihai of Hohenzollern was conscious and convinced that he needed a visa to enter Romania.

In connection with the attempt of the illegal visit to Romania of December 25, 1990, the Romanian minister of the interior presented the known course of events until ex-King Mihai's arrival at the Otopeni Airport and said: We are wondering why such a stratagem was necessary to hide the passengers' real identity and to mislead our authorities. It goes without saying that no honest reasons were involved.

We Romanians are good and will be good forever, whenever such a visit would be paid by legal means. Nobody, no state authority, none of us would have had anything against such a visit.

Presenting further the behaviour of the former king, of his family and of the persons accompanying him, giving details on the types, registration numbers and owners of the cars that had awaited for him at the airport and then had accompanied the ex-king to Curtea de Arges, the Romanian minister of the interior rendered as regrettable the fact that persons in the King's entourage committed themselves to say that he had been met with tanks and machine guns. The traffic police took measures to stop the cars on their way to Pitesti. Because the cars did not stop at the first sound signals it was necessary to bar the motorway near Pitesti with police's and private persons' cars.

I myself gave the order to the Passport General Division and to the Police Department, Mr. Doru Viorel Ursu also specified. At the same time, I informed the prime minister who decided that a plane of ROMAVIA company be put at Mihai of Hohenzollern's disposal to return to Switzerland. At the same time I sent to the Otopeni Airport the crew he had come with. He had the possibility to choose and he chose the Romanian plane and flying crew. Because the illegal entry to the country of the ex-king and of his wife was favoured by the lack of firmness, by the indecision, by the lack of professionalism of certain Interior Ministry staff members on duty at the checkpoint or at the passport general division, I have started an inquiry and decided to punish them exemplarily, even to put in reserve the main guilty persons. I have set the necessary measures for an efficient control of all foreigners' documents at the checkpoints all over the country, Mr. Doru Viorel Ursu said in conclusion.

On Saturday, December 29 Romania's Senate concluded its proceedings in plenum in this year. In his address, the Senate's President Alexandru Barladeanu made a short survey of the activity carried on until now. At the same time, he underscored the responsibility incumbent on all senators in adopting the laws to ensure Romania's transition to the market economy.

The Senate's proceedings in plenum will be resumed on January 3, 1991.

Roman Discusses Former King's Expulsion

AU2912143390 Bucharest ROMPRES in English 1157 GMT 29 Dec 90

[Text] Bucharest ROMPRES, 29/12/1990—Asked by an editor of the daily "ADEVARUL" about his feelings

after the episode of ex-King Mihai's impromptu visit to Romania, the prime minister said:

"Contrary to expectations, the feeling I experience is one of bitterness and not satisfaction. Although I feel that what we did was the only legitimate attitude one could take, which meant assuming the responsibility for what this government stands for now in Romania, I cannot help thinking that we have accumulated a long series of tensions, clashes and unaccountable hatred, and that a new episode which, in its turn, could have roused new fears and anxieties, was hard to endure. On the other hand, it is not well that this could give rise to new accusations of a wrong understanding of the humanistic spirit of democracy, of a rigidity careless of inter-human relations, of an alleged fear for what could appear as revivals of the past. I do hope that, at long last, our good faith shall not be denied. After all, what we have won through our revolution is the sovereignty of the people and it is the people alone that should decide about everything.

Government Invites Ex-King To Return 'Legally'

AU2912145790 Paris AFP in English 1213 GMT 29 Dec 90

[Text] Bucharest, Dec 29 (AFP) — Former King Michael of Romania is free to return to his homeland "on condition he does so legally", Interior Minister Doru Viorel Ursu said Saturday [29 December].

Romanian authorities expelled the former monarch on Wednesday after he returned to Romania for the first time in 43 years along with his wife and youngest daughter.

Mr. Ursu said authorities acted out of "fear" the visit would cause "destabilisation", but also for legal reasons.

He said the ex-king, who abdicated under communist pressure in 1947, was "not a Romanian citizen, his citizenship having been withdrawn in 1948" by the Romanian leadership.

Former King Michael had also failed to apply for new citizenship under laws passed since the fall of dictator Nicolae Ceausescu a year ago, the interior minister said.

He said the ex-king came to Bucharest Tuesday "under a false name", which proved the trip "had a dishonest aim".

He also criticised the former monarch for not waiting at the airport for the foreign ministry to decide whether it would grant him a visa.

On return to Geneva Wednesday, the ex-king accused Romanian authorities of "flagrant human rights violations" for seizing his party's Danish diplomatic passports and holding the group in isolation while in Bucharest.

King's Press Office Condemns Baltazar Statements

AU2812210790 Bucharest ROMPRES in English 2013 GMT 28 Dec 90

["Political Life: Communique From H.M. King Michael's Press Office"—ROMPRES headline]

[Text] Bucharest ROMPRES 28/12/1990—In connection with certain assertions made to the press by the Romanian Government's Spokesman and Secretary of State Bogdan Baltazar on 26 December, the press office of H.M. King Michael I specifies:

1. The fly-over and landing clearance for Otopeni Airport had been requested by the Swissair company "Aero-Leasing Suisse" which concluded the rental formalities in the name of contract nominee Alain Morvan. Asked by the company whether they wanted to know the names of the passengers, the airport authorities said they did not. Therefore, it is not true that on 25 December fictitious names were conveyed.

2. It is false that the legal entry procedure had not been complied with, first because the routine for the Danish diplomatic or ordinary passports is the same as before: Visas can be granted, upon request, by any Romanian embassy, or on the spot, upon arrival in Romania. If the Romanian authorities have changed the routine, it means they have done it unilaterally and so recently that the Danish side has not been informed yet accordingly. Entry stamps were applied on to the passports, a fact duly recorder by TV cameras. For evidence, here are their numbers: 2111592 for H.M. the King, 2111593 for H.M. the Queen, and 2111594 Princess Sofia, all bearing the date of 25 December.

3. The Romanian authorities had been fully aware of the case. After the talks Princess Margaret had had with Prime Minister Petre Roman on 24 December, at 13:00 hrs, the following morning repeated attempts were made to get in touch by telephone with both the prime minister or his aides and with the minister of defence and the chief of the Romanian Intelligence Service. Neither of these could be reached. As a matter of fact, none of the government members with whom contact was sought, was in the capital. Eventually a message was left on behalf of Princess Margaret both at the Government Headquarters and at the prime minister's residence, informing that the king and his suite were going to arrive on the same day, on Christmas, around 6 p.m. The envelope was labelled "urgent."

The airport officials as well appeared to have been duly informed: They came to meet the plane and invited the passengers to the official lounge, where the latter waited for about an hour for the entry formalities to be fulfilled. The airport personnel's attitude was normal, courteous. Hostility and rudeness were shown only by the police squads barring the Pitesti motorway and those deployed at the Otopeni Airport, during the night, when H.M. the King was forced to leave the Romanian territory.

Of special gravity is the fact that the remarks of the government's spokesman perpetrate slandering insinuations as to the feelings the royal family have always had for the Romanian people. The king's attitude, both in his country and abroad has never failed to live up to the spirit of a good Romanian's education in which he was raised. His attitude is the same his ancestors had always had. To maintain the opposite means to repeat, against historical evidence, the declarations of the communist propaganda ever since 1947.

Iliescu Meets with Salvation Front Council

AU2912143490 Bucharest ROMPRES in English 2031 GMT 28 Dec 90

[Text] Bucharest ROMPRES, 28/12/1990—One year after the Romanian revolution of December 1989, President Iliescu met, at the Cotroceni Palace in Bucharest, with the former members of the first National Salvation Front Council set up as a first statal structure on the night of 22 December, which subsequently listed more revolutionaries from those who had fought in the front line.

The meeting, held Friday, 28 December, was an opportunity for those present to recall the hardships of that time as well as to "find, together, the necessary strength to build the bridge towards all well-wishing hearts and minds that mean the welfare of Romania" and to convey one another the traditional "Happy New Year" a couple of days before it begins, as President Iliescu put it.

The talks between the president and the members of the first National Salvation Front Council, some of which are now representatives of the executive or of the legislative power, while others stand for the opposition approached a number of more or less controversial aspects of the Romanian political and economic life, such as the utility of a national union government, the form of Romania's Government, the rectitude of Premier Roman's Government programme, the issue of the Moldova across the Prut, all this with emphasis on the need to find ways to reaching a national consensus apt to help the country surmount the present difficult situation.

Iliescu Meets With Ministers, Prosecutor General

AU2812172890 Bucharest ROMPRES in English 1552 GMT 28 Dec 90

[Text] Bucharest, ROMPRES 28/12/1990—Romania's President Ion Iliescu had an interview on December 27 at the Cotroceni Palace with the minister of the interior, Doru Viorel Ursu, Minister of Justice Victor Babiuc and Prosecutor-General Mihai Ulpiu Popa Cherecheanu.

In the context of what was presented in the parliament in the address of December 21, the president highlighted the fact that, although one year passed since the December 1989 revolution that redeemed the Romanian people to freedom and dignity, at the cost of important human sacrifice, the investigations meant to establish the penal responsibility of those guilty of the bloody actions of repression of the population were still not completed.

It was also stressed that the cases under investigation or trial related to the Tirgu Mures events of last June had to be settled.

The talks led to the conclusion that every responsible factor in the mentioned domains should analyze the current stage of the investigations and cases taken to courts of law, and come up with a joint report in January 1991 before the parliament.

Deputies Assembly Session Discusses Various Bills

AU2812173190 Bucharest ROMFRES in English 1546 GMT 28 Dec 90

[Text] Bucharest, ROMPRES 28/12/1990—The proceedings of the Assembly of Deputies continued on Friday. Opening the session, Speaker Dan Martian gave the floor to Claudiu Iordache, National Salvation Front deputy in the Timis constituency.

Claudiu Iordache said in his address that there was with large strata of the population in Timisoara a state of tension and sorrow, explained greatly by the fact that the people there still do not know, one year after the dramatic events of December 1989 who fired at them. I cannot say, the deputy went on, that the Timisoara people are manipulated when they express their feelings and so, I cannot state there are manipulating forces in Timisoara either. Noting that large groups of citizens there show a certain disbelief in me, Claudiu Iordache said, and by virtue of the mandate of deputy I have received from them, I must be profoundly convinced [that] I still can be their representative in the country's legislative forum, I want to go again in the midst of those who voted me, in order to hear their opinion of today about their representative. So, he concluded, I would ask you to agree that I should go to Timisoara in order to pass what I have called a moral poll. Once back here, I will report to the Assembly the conclusions I would have drawn and I will act accordingly.

His request was granted with a majority of votes.

Working on the agenda, the Assembly of Deputies endorsed the following documents:

The report of the mediation commission on the settlement of the disputes in connection with the Bill of Public Finance;
The report of the mediation commission on the settlement of the disputes in connection with the Bill of Aggregated Functions;
The report of the mediation commission on the settlement of the disputes in connection with the Bill of Amendment and Extension of Law No. 6/1990 of reorganization of ministries and the pay of the functions in romania's government and of certain government-level functions;

The report of the mediation commission regarding the settlement of the disputes in connection with the Bill of Fighting Unfair Competition.

Debates then resumed on the land stock bill.

The deputies will continue the proceedings on Saturday.

County Meeting Asks Government's Resignation

AU3012190990 Bucharest Domestic Service in Romanian 1800 GMT 30 Dec 90

[Text] A meeting was held at Timis County Prefecture by parliamentarians of Timis County and by a great number of trade union leaders from Timisoara Municipality. A communique of the Executive Bureau of the Timisoara Free Trade Union Federation was presented. This communique specifies the reasons the government's resignation has been demanded. Among these reasons are the lack of response to all the demands made by the trade unions of Timis County, the crisis in raw and other materials, the unavailability of staples in the markets, the nonexistence of labor incentives, the preservation of the centralized system in the economy, the political distortion of the commemoration of the Timisoara revolution and of the current strikes, which are of an economic nature, and the lack of clarification and punishment of the truly guilty people during the 1989 December revolution.

The proceedings of this meeting, which were also attended by the leadership of the Timis County Prefecture, took place under the sign of dialogue characterized by mutual respect, each of the participants being free to voice his own opinion.

After speeches made by some trade union leaders from representative economic units, Mr. Octavian Jurma, spokesman of students' organizations in Timisoara, then read the students' demands and also made reference to the government.

Mr. Nicolae Taranu, university staff member, in turn, became the students' mouthpiece, appreciating their intransigence and ethics in spite of the fact that they have been accused by some trade union leaders of not coming out into the streets last December.

Then the Timis parliamentarians at this meeting formulated answers to the problems raised. The floor was taken by Messrs. Mihai Ruva, National Liberal Party; Diodor Nicoara, National Salvation Front; senators, as well as deputies Victor (Cepdarie), Romanian Ecologist Movement, Vice President of Deputies Assembly; Gabriel Marinescu, National Salvation Front; Romulus Paraschivoiu, National Salvation Front; Petrisor Morar, Romanian Democratic Front; Horia Rusu, National Liberal Party—Young Wing; Octavian Dogaru, National Salvation Front; Nicolae Negoescu, National Salvation Front; Milenco (Lucin), Democratic Union of Serbs in Romania; Francisc (Baraniy), Magyar Democratic Union of Romania; and Tudor Marius, Ecologist Party.

In conclusion the text was signed whereby all those present declare their solidarity—expressing the same viewpoints—with the demands made initially by workers and students.

At the end of the meeting, radio reporter Ciprian Pop reports from Timisoara studio that Mr. Florentin Carpanu, Timis prefect, took the floor calling for conciliation and work, because—as he said—only in this way will Timis County be able to emerge from its current economic situation.

Iliescu, Roman Meet Senator Dole 27 Dec

AU2812135190 Bucharest Domestic Service in Romanian 0500 GMT 28 Dec 90

[Text] President Ion Iliescu yesterday met with a group of U.S. senators led by Robert Dole, leader of the Republican minority in the higher chamber of Congress. Referring at length to the transition period through which our country is passing, Mr. Ion Iliescu emphasized the irreversible nature of the new democratic process in Romanian society, which is naturally characterized by certain difficulties and tensions that have to be overcome. In this context, Ion Iliescu pointed out that Romania is relying on the understanding and support of states with democratic traditions.

Senator Robert Dole said that the program of tangible action for Romania before the 13-15 June events [words indistinct] should be reconsidered. He also assessed the democratic changes in Romania and stressed that the delegation will leave with a better understanding of the current situation and with the desire to contribute to developing Romanian-American cooperation.

Prospects for improving Romanian-American relations exist, said Senator Robert Dole after his meeting with the prime minister, Mr. Petre Roman, a meeting which the U.S. senator termed satisfactory. An invitation was extended to the Romanian prime minister to visit United States.

The Romanian prime minister said that he would be happy to visit the United States because this would be an opportunity for a very open dialogue with all those who are interested in understanding the problems of our country.

Romania Thanks FRG for Electric Power Supplies

AU2912183290 Bucharest ROMPRES in English 1724 GMT 29 Dec 90

[Text] Bucharest ROMPRES, 29/12/1990—On December 28 the German Ministry of Foreign Affairs informed officially our embassy in Bonn that the German Government had approved the supply, in the form of aid, of 390 MW electric power starting January 7 until the end of March, 1991.

In the name of the Romanian Government, the Ministry of Foreign Affairs wishes to express Federal Chancellor

Helmut Kohl, Foreign Minister Hans Dietrich Genscher as well as the whole German people thanks for this new manifestation of sympathy and support for the Romanian people.

List of Currencies No Longer Exchangeable 1 Jan

AU2812154190 Bucharest ROMPRES in English 1305 GMT 28 Dec 90

[Text] Bucharest ROMPRES 28/12/1990—The National Bank of Romania announces: Pursuant to the denunciation as of 1 January 1991 by CEMA members and other states of the agreements on payments for noncommercial transactions and national currency exchanges for trips mutually taken by their citizens, and to the start of payments in convertible currency between these countries, the following currencies: lek—Albania; leva—Bulgaria; crown—the Czech and Slovak Republic; won—D.P.R. Korea; pesos—Cuba; tugrik—Mongolia; forint—Hungary; ruble—USSR; and dong—Vietnam, shall not be accepted starting 1 January 1991 for exchange on the territory of Romania from the citizens of the respective countries or from Romanian citizens.

Furthermore, as of 1 January 1991 checks issued for lei (or tugriks in Mongolia's case) to citizens of the above mentioned countries can no longer be cashed by those citizens who shall no longer have the right to bring Romanian currency lei into Romania.

As concerns the Polish zlotys, the above measures shall take effect as of 1 February 1991.

Compensation for Nonpayment of Iraqi Debt Sought

AU2812134690 Bucharest Domestic Service in Romanian 0500 GMT 28 Dec 90

[Text] We want to remind you that because of the sanctions imposed against it, Iraq has stopped repaying its debts to Romania, which total $1.6 billion. Likewise, the number of joint ventures that our country had concluded with Iraq have had to be reduced.

Explaining the situation of our country, which has been seriously affected because of the sanctions imposed against Iraq, Romania's ambassador in Washington, Mr. Virgil Constantinescu, emphasized that Romania needs economic help on behalf of the United States and other countries.

Loncar Expresses 'Mild Optimism' on Iraqi Talks

LD3012194190 Belgrade TANJUG Domestic Service in Serbo-Croatian 1831 GMT 30 Dec 90

[Text] Belgrade, 30 Dec (TANJUG)—"I hope we will not have to wait until 15 January to see how the gulf situation will develop," Budimir Loncar, federal secretary for foreign affairs, said in Belgrade this evening immediately upon his return from Baghdad, where he spent the last two days on a peace mission.

Yesterday and today, Loncar spent 10-and-a-half hours in talks with Iraqi President Saddam Husayn and his host, Iraqi Foreign Minister Tariq 'Aziz.

Speaking about the possibility of "something happening before 15 January next year," the deadline set by the UN Security Council resolution for Iraqi withdrawal from Kuwait, Loncar failed to specify what his mild optimism was based on. "For understandable reasons" he did not say a great deal about his two-and-a-half hour talk with Saddam Husayn today but did stress that the Iraqi president, aware of the fact that a war would lead to a catastrophe, was prepared to enter into dialogue.

This indicates, according to Loncar, that the awareness is growing in Baghdad of the need for a political solution to the gulf crisis.

"We did not go to Baghdad with a particular plan or ambition to offer solutions to the crisis, which is nearing a dangerous denouement," Loncar said, adding: "We tried—and I think that we have succeeded—to explain our views of the crisis, to point out that there still exists the possibility of a peaceful solution. At the same time, we pointed out to our hosts that the key for resolving the crisis is in Baghdad."

"The way we were received in Baghdad indicates that our hosts were interested to hear our views. Although we were not in the position to offer a solution, we did make an effort which could contribute to the political solution," Budimir Loncar said on his return from Baghdad.

Two-Day Federal Chamber Session Begins 28 Dec

LD2812104790 Belgrade TANJUG Domestic Service in Serbo-Croatian 0915 GMT 28 Dec 90

[Text] Belgrade, 28 Dec (TANJUG)—In the SFRY Assembly, a two-day session of the Federal Chamber has begun which should adopt several changes and amendments to laws, including the Law on Information and Law on the Social Accountancy Service.

A session is scheduled for this afternoon of both chambers of the Yugoslav Assembly, at which Federal Executive Council [FEC] President Ante Markovic will submit a report on economic policy measures for the coming year.

Markovic Addresses Assembly on Reforms

LD2812175790 Zagreb Domestic Service in Serbo-Croatian 1600 GMT 28 Dec 90

[Speech by Prime Minister Ante Markovic at Federal Assembly session in Belgrade—live]

[Text] Before I say something about macroeconomic policies for the next year please let me present our views on trends influencing our decisions for the next year. Of course, in this connection it is not my intention to dwell on all relevant elements because it would require too much time. I will endeavor to explain our views in the simplest possible way within the limited time set by such a session, because nearly two months ago while addressing this chamber I presented a detailed analysis and an assessment of the situation in the country with orientations for finding a way out of the crisis and for the continuation of reform processes.

This year, which is coming to an end within a few days, is characterized by several processes, some of which were in accordance with the course of the reform and the planned economic policy and some which were contrary to it. In this year, on the basis of preparatory actions and normative acts and all other issues which were dealt with by the Federal Executive Council [FEC] and the SFRY Assembly, we opened up the process of establishing a new system. Further, we created macroeconomic policies which for the first time assumed modern characteristics which are suitable to the macroeconomic policies of developed market economies and societies with a stabilizing character.

We have initiated political activities which culminated in the first post war multiparty elections in all republics. All these changes took place in an environment characterized by very tempestuous and profound changes not only in the world and in Europe but particularly in our country. All these changes have been having a certain influence on us because we can neither be isolated from nor immune to what is happening in the world and around us.

Before I tell you something about the macroeconomic policies themselves and their stabilizing character let me conclude that multiparty elections have been completed in all our republics. In the future, state bodies will be composed of representatives of various political parties, i.e. representatives having various political and ideological orientations. In all republics these bodies have not been constituted yet on the basis of multiparty elections, but this process is under way and will be completed soon.

Actually, we find ourselves in a situation whereby, after the multiparty elections, in different parts of the country we have a different situation as regards political orientation of those forces which won the elections. It can be expected that these forces will be struggling within institutions to achieve their programs which differ as regards major issues of our development. Hence a question arises: Will it be possible in such a situation in our

country to establish relations which will facilitate creation of a joint economic policy and policies in other spheres of life in the next year and whether realistic preconditions exist for their implementation.

On the other hand, regardless of the fact that the elections took place—which by all means represent a significant step toward a further democratization of society—the country's problems, we must all agree, have not been resolved by this at all.

We are all facing a major problem, the problem of transition from one system to another. It is obvious that we have embarked on a system change and that, barring major negative consequences, there is no return from this road. Unfortunately, along this road, when abandoning a system which not only is being eroded, but it collapsing, and establishing a new one, no one in the world has the experience or necessry knowledge, with the result that whatever one is doing must be created on the basis of one's own experience and one's own perceptions on the basis of some generic knowledge and experience and the experiences learned by the world as regards global development.

Considered from this point of view, I think we can say that we have embarked on a section of reform changes which make possible and provide the basis and the foundation whereby economic and other policies for next year can be consistently developed and that they can offer a chance whereby the reforms can be continued in all parts of our country.

Regardless of whether together or separately we shall remain within the framework of one country, or whether we shall have one or another political system prevailing in this or that part of our country, it is impossible to skip over the problems of the interim period of the transition from one system into another with all the economic, social, and political costs one has to pay.

There is a question to which we must try to find answer: Will the price of this transition be higher if we all go into it separately or we go into it jointly? It is an absolute necessity to provide an answer to this question. The FEC's assessment is that the price will be considerably lower if we do it jointly. Therefore, we should lay down the prerequisites ensuring a minimum of what we hold in common so that within the framework of this we could, by establishing new trust, establish new relations as well.

We should like to stress that presentday developments both in Europe and in the world, and those in our country too, are in many respects very dramatic. This draws attention to the possibillity of very serious consequences. We happen to be participants, not only eyewitnesses, of a process in which one system is disintegrating and collapsing while another is integrating. In one system we have shortages and relative prosperity in the other—in one a crisis, with the threat of serious internal tension and conflicts, and peace in the other. Our assessment is that the entire world of the former system of real socialism has embarked on a process of changes.

During these changes, which in the case of some will last decades, people will have to go through major trials and major problems and the possibility cannot be ruled out that during the collapse of the system in some countries an anarchic and chaotic situation will ensue, which will call for intervention and blood and, as a result, the possibility of dictatorships. We must not forget that four such countries are situated along our borders, including some which are deep in these problems. This cannot fail to have an impact on us all. Without going into detailed assessments now, I think that the explosions which can occur in some or most member countries of the former socialist system, including the biggest country in it, could cause consequences which cannot bypass anyone in Europe and in the world, and us least of all. In addition to all our internal problems we must reckon with this realistic possibility.

Of course, when pursuing our policy this year we had to confront the consequences of all these developments. It is a fact that, unlike others, we moved from economic to political reforms and in so doing, taking advantage of specific experience and perceptions of the time which preceded the period of time in which we are carrying out these reforms, we have managed to attain certain results.

These results represent an advantage which can be measured over the years, and perhaps even decades. Our reforms make it possible for us to implement revolutionary changes in our country in a peaceful, humane, parliamentary and democratic way, while deepening the democratic process. One should not forget that it is precisely these changes to the economic system which ensured not just relative stability but also relative—and we must not take this literally—prosperity compared with the situation in all those countries. Each of them would immediately change places with us in this respect. This also made it possible for all the changes introduced to the political system, as well as the ones brought about by the multiparty elections, to be implemented in a peaceful way and without bloodshed and for the changeover to take place without bloodshed. We should not forget that such things do not come easily to us.

In such conditions we have been implementing reforms this year, considering that their basis was a vital need for changing the system, starting from the structure of ownership, via the constituting of all markets—in a gradual process and with dynamism—up to the formation of a political system whose fundamental aim should be the formation of economically efficient, politically pluralist, and socially just society in a law-governed state.

The process of restructuring in all spheres has only just begun. The restructuring of ownership, which is in its initial phase, was the least developed. We have succedeed in forming a commodities' market and it has been constituted—which was the only possible thing—having become part of the European and world markets. [as heard] There are no isolated markets. They either

exist or they do not. If they are markets they can only exist as part of the world market.

We have succeeded in liberalizing foreign economic relations and prices. We have succeeded in forming considerable foreign exchange reserves, achieving the convertibility of our currency, and reducing the inflation in the second quarter of this year to zero.

On the basis of modern macroeconomic policies which have been brought into harmony, we have succeeded in ensuring smooth stabilizing conditions which are a prerequisite for the achievement of reform processes based on realistic economic categories, along with reducing the influence of politics and the state on these reform processes, except in the situation when the state sets general conditions to macroeconomic policies in which macroeconomic policies and their subjects must behave economically adequate. Here we come to a major confrontation between macro- and microeconomies, because the resistance to these changes in microeconomies, put up by inertia, ignorance, inability, and the interest which political structure have in preventing these changes from taking place, is still very dominant.

We are now facing a situation in which in all other spheres we have to make possible the process of moving to the market in a consistent way because it is obvious that we cannot proceed with our reforms without it. We have to make possible the formation of the capital market, the formation of the money market, for which in our opinion preprequisites have already been created, and also the labor market for which prerequisites are yet to be created. Whatever we have now are substitutes which cannot be used in the right way for the creation of the price of labor and the price of capital.

In the first half of the year, in addition to positive results a drop in production amounting to 10 percent was also recorded, which is a logical consequence of the stabilizing and anti-inflatory character of macroeconomic policies without which a trully real economy does not exist. After a decisive implementation of the separation between monetary and fiscal policies and, further, beteween these and other policies when everybody took over or should have taken over his share of the burden, we deem that the 10-percent drop in this year's production in the social sector, while other sectors need adjustments for the rise in social product, particularly in the private and mixed-ownership sector, is a relatively low price to pay for the effects which can be achieved by such changes.

The middle of the year, however, brought huge negative changes. It is evident that in the first half of the year prerequisites for the program existed, i.e. the program was good and it had political support. These prerequisites, as far as political support is concerned, were about in the second half of the year. This is proved by several facts: public spending exceded all limits: Between June and November alone, public spending exceeded limits set by macroeconomic policy by approximately 107 billion dinars, i.e. more than $10 billion. The program set out that public spending within the whole country should be $21 billion per month as regards all forms of spending at all levels including the federal one. That level was exceded back in June by 30 billion dinars and it escalated maximally in October with 42.3 billion dinars. In November it dropped slightly below 40 billion dinars.

Limits were also widely exceeded in the wages sector. It is widely known that the program set out an average of approximately 20 billion dinars and this was successfully achieved in the first five months. Limits were exceeded in June, and moreover a rise from 20 billion dinars to 24.5 billion dinars occurred and a maximal rise of 35 billion dinars was recorded in November. Consequently limits in the wages sector were exceeded by a total of 57 billion dinars for these five months. That is 2 billion dinars more than the overall losses in the Yugoslav economy according to the interim statement of accounts for the first nine months of this year.

Thus, wages and public spending swallowed up not only the substance of the current reproduction but also that of the amortization. This is what disabled our own resources which would have been used at one time for the correction of the previous economy and at an other time for new development. It is evident that future support from abroad can only be received only if we invest our own efforts and our own resources which are used for embarking upon these processes.

The support for these changes was provided by the monetary policy which halfway through the year and according to the estimates prevailing at the time, abandoned its restrictive character and had to be neutral. Under the pressure of the current developments it required, in addition to the conversion of short- term credits into long-term ones, a new money issue for selective credits amounting to 4.2 billion dinars. It also required a measure of relaxation in the use and in the placing of banking credits, and, making simultaneous use of the first symptoms of the infringment of monetary and financial discipline, it caused an overexpenditure which, in the use of resources under different channels of obligatory reserves and credits for cash flow problems, led to a situation when during that two-month period 41.6 billion dinars were issued as against 26 billion dinars during the entire first half of the year. [sentence as heard]

This was monetary support for overspending [proboj] in the area of public and personal expenditure. Of course, this created large-scale internal tension. The exchange rate of the dinar came under enormous pressure because it was clear that of the four anchors used to support the entire macroeconomic policy—wages, public expenditure, monetary policy, and the exchange rate—only the exchange rate remained in its entirety and monetary policy remained only partially. Since September with this monetary policy we have tried to and in fact have partly remedied part of this expenditure, but of course

not everything could have been put right when two anchors had completely given way.

We think it is totally unrealistic, given the Yugoslav social product, to attain an average wage in Yugoslavia which last month amounted to about 800 Deutsche mark [DM]—I am referring to German Deutsche mark. The Yugoslav social product cannot sustain this average. This internal tension now requires that we should return to the agreed framework for wages and public expenditure—and to make this possible the exchange rate should again be realistic and the exchange rate should be shifted to provide the cover for the overexpenditure incurred in the meantime.

There is a third solution: that expenditure and wages should be reduced somewhat and the exchange rate rectified to some extent so that the three could meet somehwere, establishing a new relationship which could realistically be supported by and carried out by this macroeconomic policy and which will not cause a fresh inflation spiral.

All these developments—aided by politicking and political tensions and under the impact of all electoral activity and all other controversial issues, such as: Shall we or shall we not remain one country, shall we go our separate ways peacefully, or shall we go to war over it—led to threats and our country's erosion toward collapse. At the same time, there has been a tremendous pressure to bring down the exchange rate of the dinar. An unprecedented campaign has been going on against the current rate of exchange, and the devaluation of the dinar is demanded and this is driving the creators of this policy, whether or not they think this has to be done, to its defense because other reactions should not be presented to the public. It was the same as a year ago when as a result of assorted pressure people were asked: give them an anti-inflation program, one could not have said that we shall provide it because this would have been a signal for large-scale upheavals, so in the same way the public cannot be told: Listen, yes, we are working on a devaluation. No one in the world does something like that. Such an operation is worked out in secret and overnight.

With all this political polarization and pressure among the public we found ourselves in a situation where, in addition to objective difficulties which had emerged in the meantime, great pressure was brought to bear on us to reduce our foreign currency reserves. Of course, the crisis in the Middle East had a bearing on that, too. Realistically and objectively speaking we forfeited $1.3 billion this year, that is to say on the one hand our revenue was reduced and on the other hand our resources flowed out on a bigger scale. We were lucky to have had a reasonably high foreign currency reserves or we would have been facing cash flow problems. We also had a big drought which caused additional damage of $1.7 billion. This year the rescheduling of our debts came to an end with the result that we returned about $3.8 billion of our foreign debt while using virtually marginal foreign resources—$85 million from the IMF and about $150 million from the World Bank, which of course means $225 million of unplanned debts.

Of course, this does not include specific credit arrangements agreed by economic organisations or specific cases when payments were deferred. Both actions have an impact on the movement on the foreign currency market.

Under this pressure, especially during the past month, when our foreign currency reserves were under fierce attack, the reserves were reduced from the end of August, when they amounted to about $10 billion by $2.5 billion, including $1.5 billion this month alone. A number of events have caused this; firms do not bring their foreign currency into the country because they are expecting a change in the dinar exchange rate. They also make early payments abroad for anything they can pay for, only to be able to pay at a lower rate. This too is one of the reasons for increased illiquidity.

The situation now is best described by the fact that while previously our foreign currency debt was $60-80 million per day, it now ranges between $300-500 million per day.

The share which our population has in reducing foreign currency reserves is high as well. Until the end of September the purchase and sale of foreign currency was fairly balanced out because the balance between the inflow and outflow of foreign currency on the part of our citizens was some $170 million which is totally negligible in view of the level of monetary operations in this particular area. This ratio has now been seriously unbalanced with the result that instead of these $170 million the gap now is about $2.7 billion. Through four banks led by the Ljubljana Bank, which is well in front of everyone else, followed by the Zagreb Bank and Jugobank, which are approximately the same, and also the Belgrade Bank, 67 percent of all foreign currency has been sold to citizens. Due to this high rate of outflow of foreign currency funds, the FEC was compelled recently to adopt a decision blocking transactions on the foreign currency market. This has in fact been done by many countries more developed than ours when facing capital outflow abroad.

Preparing in such circumstances for what lies ahead of us, we must say one more thing. Lately, particularly since September, when all these phenomena culminated, there has been not only a violation of the financial discipline but also a raid on the Yugoslav system of payments. This raid on the system of payments is carried out by official state organs. They issue orders to social accountancy services that funds from sales tax intended for the federal budget or customs duty funds which are also intended for the federal budget, are transferred on the basis of forged documents, i.e. that different figures are recorded, funds redirected and used for the purposes not originally intended.

Since 1 September these usurpations, not to use a stronger word which would be suitable in this case, of

funds by a raid on the system of payments and on the payment operations of Yugoslavia from those earnings which should have been included in the federal budget, amounted to about 6.8 billion dinars. If one adds to this the debt of the economy on the basis of all the customs duties and import taxes due—about four billion dinars' worth—the total budget of the federation until 15 December this year was reduced by about 11 billion dinars. We even possess original documents which show that in the social accountancy service in question figures have been altered and the purpose of funds redirected.

By the way, 1 million dinars were paid into the budget of the federation yesterday and 1.5 million the day before. Daily payments into the budget should be 300-600 million dinars. We are thus facing the collapse of the system or we are in a chamber from which oxygen is being pumped out.

At the FEC's request, the general director of the Social Accountancy Service has brought criminal charges against the culprits. We will monitor with great intensity court reactions to these phenomena, which should be made known to the public and over which the public should have control. As for the FEC, it is seeking the consistent implementation of laws and the legal protection of financial transactions and the country's system of payments.

So that such criminal offenses are prevented in the future the FEC proposed amendments and addenda to the law on the social accountancy service which should be adopted in an emergency procedure.

At the same time, all republics without exception failed to make payments into the fund for the underdeveloped. They are all in debt. This debt amounts to about 8.8 billion dinars and, according to the latest figures, it is even nearing 10 billion.

In addition to this, limits have been exceeded in the monetary system by using methods which are not permissible for issuing money by certain national republican banks, i.e. they have been issuing money instead of the National Bank of Yugoslavia. This is done by exceeding monetary limits and credit conditions in the following way:

Obligatory reserves are used for exceeding limits of permissible usage of the obligatory reserves and in addition to that credits are granted contrary to established limits. Apart from that quasi-money has directly been issued. Such infringements have recently amounted to 8-10 billion dinars.

All this indicates that, in spite of the fact that we created relatively favorable conditions for the process of reforms in our country and for their success at a relatively low price and at a certain level of safety and protection of people's living standard we have reached a phase of such an erosion of the system in which no macroeconomic policies could be successful if the erosion is not stopped immediately.

Due to this the FEC prepared a document—The Assessments and Stands of the FEC on the Situation in the Country and Measures To Overcome It—which was submitted to the Federal Assembly as the FEC's contribution to the assessment of the situation and measures to find a way out of the crisis. I will quote this document:

Yugoslav society is in a transitory period and the next year is a key year not only for the reform—it will either be successful or it will collapse—but also for the survival of Yugoslavia as a state. All possible ways are being used to thwart the initiated reform processes, and unilateral acts and measures by state bodies in certain republics are directly threatening the integrity of the country.

The economic, political, constitutional, and legal crisis has reached its climax. A complete standstill of vital functions of society is becoming increasingly possible. That causes an atmosphere of hopelessness and discouragement and leads toward an excessive straining of all old and new conflict situations.

Abroad Yugoslavia is viewed as one of the most dangerous hotbeds of crisis in Europe and there are opinions that it is already at a brink of a complete disintegration and a civil war. Due to its internal political conflicts, doubts are mounting concerning Yugoslavia's capability to implement the program of reforms which enjoys not only a verbal but also a concrete material support in the world.

We are facing a fatal crossroads—are we going to allow processes which lead toward such consequences for all Yugoslav nations and nationalities, in which all citizens will be confronted with the inevitability of serious conflicts, or are we going to continue our reform and secure conditions for a peaceful, legal and democratic way out of the crisis?

After the implementation of multiparty elections in all republics, the time is ripe for a new political agreement on the future relations within the Yugoslav community. Time and conditions are needed to achieve this agreement, which means that accord should be secured about the key issues for a normal functioning of the state in that period until a final agreement is reached.

Reaching a political consensus on a democratic resolution of the crisis on the basis of materialization of the initiated economic and political reforms is a condition for functioning of Yugoslavia as a community. The FEC maintains that it is necessary to stop the negative processes immediately and secure conditions for the life of society in a period which is needed to make a transition from institutions and relations of the old disintegrating system to a new system, new relations, and new institutions, on the basis of a new historical agreement of the Yugoslav nations.

For the stability of this period required for the accord, agreement is necessary that the minimum should comprise: the convertibility of the dinar as the single Yugoslav currency; monetary policy and the role of the Yugoslav National Bank which, hand in hand with the

application of other economic policy measures, ensure convertibility; foreign currency reserves which secure foreign liquidity of the country and the convertibility of the dinar; unhampered functioning of the money market both in this country and with foreign countries without the right of making incursions into it; the necessary conditions for the functioning of an integral market open to the world as well—commodity, capital, and labor markets—and legal security for the adoption of business decisions; respect for the current concepts of the creation of funds to finance the functions of the federation within the framework of the agreed expenditure; acceptance of commitments at all levels to maintain personal and public expenditure within the agreed policy limits; the insuring of further ownership restructuring as the essential condition for the overall social reform; the program of recovery for the banking and financial system; the adoption of social programs and the securing of funds for their implementation; the fulfillment of the agreed commitments of the federation in the area of defense, state security, and international affairs.

These are vital functions of the system regardless of the level at which they are implemented. Any violation of these functions poses a serious threat to the new economic and political basis of this system, political pluralism, and parliamentary democracy, law-governed state, and the freedoms and rights of our people and citizens. Such a development would move us away from European processes and impede our equal participation in the creation of a new Europe.

If the current processes were to continue we would enter an economic, political, and legal chaos and anarchy with the gravest consequences for relations in our country and its continued existence.

Proceeding from the approaches set out beforehand, the FEC has proposed the policy and the measures which ensure the continuation of the process of reforms in 1991.

In the FEC's assessment, the implementation of this policy and of these measures will be of crucial significance not only for this coming year; the reform process over a long period of time will depend on it. In the ultimate analysis they will define not only economic developments but the future of the country as a whole and all its parts as well.

The FEC therefore believes that in addition to all these measures other conditions have to be secured to reach an agreement on the future system of relations within the Yugoslav community, and primarily: to complete the procedure of adopting the amendments to the Yugoslav Constitution and, if this is not possible, to come to an agreement on the solutions which make possible further development of the reform process and multiparty elections for the Federal Chamber; to ensure the functions of the federal organs and especially of the Yugoslav Assembly, of the Presidency, and of the FEC. In this connection the term of office of the delegates in the chamber of the republics and provinces of the Yugoslav Assembly has to be extended; to create the conditions for an unhampered flow of information throughout the Yugoslav information area.

I hope that this started as from today, because if I am well informed this report is being carried by all Yugoslav radio and television stations.

The FEC will work for the implementation of these commitments, but it is ready at the same time to take part in the search for any other solutions leading to the attainment of those objectives.

It is the historical responsibility of the organs in the republics set up during the multiparty elections held as a result of reform changes to continue the reforms together with other organs and to do nothing that might threaten the further development of the democratic transformation of the country.

The functioning of the system in all parts of the country, independently of the election results and institutional changes, is the basic condition helping the conflict-change from the old to the new system being resolved in a democratic manner, in an atmosphere of respect, tolerance, and equality, thereby closing a potential scope for other type of solutions.

That ends the quotation from the document we have forwarded to you.

We believe that macroeconomic policies ensuring the further continuation of the reform can be deployed on these foundations and I will explain them here briefly.

To begin with, we believe that expenditure must be reduced to the level of material possibilities. Without that there is no chance of our being able to avoid a new spiral in inflation which could take us back to the situation prevailing two or three years ago.

It is a good thing that, in conjunction with the Yugoslav National Bank, the FEC did everything it could during the past two to three months to bring inflation down again. Following on the 7.1 percent increase in September and 8.2 percent increase in October, inflation was brought down to three percent in November. The growth of prices in the social sector in December is at the 2.7 percent level, and in the private sector it is over 10 index points lower, with the result that the overall inflation was somewhere around two percent in the 12th month. The inflation rate in the period between 1 January and 31 December 1990 was 75 percent, which must be considered a great success in view of everything that was happening in the country upon which I briefly touched here. It is a good prerequisite for the measures which have to be taken next year because if the inflationary spiral had continued in November and December then any change in our macroeconomic policies, and especially any interference with the rate of exchange, would have caused such consequences that would mean this can no longer be controlled.

One reason for reducing expenditure is therefore to keep inflation under control and to secure relatively stable prices. The other reason is to secure development funds. If we don't have our own accumulation, not even any substantial inflow of foreign capital could ensure our development. Moreover, Yugoslavia was not in a position to make use of some investment credit already approved by international financial institutions because it had filed to secure the domestic investment component.

We think that next year's public expenditure, including the budget of the federation, should be reduced within the framework of 515 billion dinars or 40 billion a month on average. In this way public expenditure is placed within the framework which amounts to 34 percent of social product. At present its share in the social product is over 40 percent, which even the most developed countries would not be able to cope with, let alone Yugoslavia. We need to be prepared to accept such a limit of public expenditure. Without this no one can guarantee what the total economic transactions would be next year.

Incomes must also be kept within the framework which can be met with an average money issue of 32 billion dinars per month in 1991. This average was achieved in the September-November period this year which means that the money issue would now, right at the start, have to be somewhat lower so that it could be used later on without exceeding the average level. [as heard]

To achieve this we should first limit public expenditure, and, second, adopt a law on incomes. In our opinion, incomes in production should not be limited. They should be left to be formed freely on the basis of the results of labor, on condition that a part of the grwoth above a certain level should be set aside for either funds or shares. It is up to the enterprises themselves what they wish to do with this amount. Where owners are identified, incomes will be determined by collective agreements. In contrast to this the incomes of lossmaking or insolvent enterprises must be limited. There is a proposal on how this should be organized. All other incomes, including the incomes of the administration and enterprises with a monopoly status, should be frozen at the level of the average incomes paid out in the September-November period. In this way we are ensuring that economic subjects can take a break and realize the minimum funds in their own environments with which they can begin to take part in the processes of restructuring or new development. We know that all this is not sufficient for this new development, but I will speak about it later.

The FEC has submitted to the SFRY Assembly an additional proposal for the draft law on the total volume of the budgetary expenditure of the federation for 1991 which envisages a reduction in the volume of budgetary expenditure from the previously proposed 154.7 billion to 145.5 billion dinars. A share of the budget in the social product is thus reduced from 10.4 to 9.6 percent. This reduction in the volume of expenditure made it possible to avoid a need for deficit financing and ensured the funds from realistic sources without an additional burden in the form of taxes, customs or import duties. We have also abandoned the idea of limiting market bonds from which we were to draw funds to pay for budget deficit.

The FEC sought possibilities for a further decrease in budgetary expenses, but proceeding form the current financial system in accordance with the SFRY Constitution, federal laws and other general acts and in accordance with tasks and directions for economic and development policies proposed by the FEC for 1991, the federal budget should also in the next year represent an important instrument of the policy of social and economic development of the country to secure a full support for the economic and social development, particularly for the policy of structural adapting, stabilization of market relations, effectiveness of certain macroeconomic policies, and a complete support for the process of the implementation of the initiated economic reforms.

The volume of budgetary expenses is allotted according to the huge rights which were constituted in the previous period, and which in many segments must be reviewed and coordinated with possibilities of society for their further financing and with their considerable reduction and adapting to conditions of the new system, demands of the market economy and new role of a modern state in the process of implementation of economic reform. In this connection the federal budget sets out a series of transitory solutions which should be valid in 1991 until conditions are created in the country for a different regulation of the whole system.

The federal budget for 1991 anticipates financing the same functions and purposes from 1990. Of the overall budgetary expenses 53 percent for interventions in the economy, 10.2 percent for the war disabled, and 6.5 percent for the work of federal bodies. Next year resources for interventions in the economy at the federal level should secure a support for the new system of agricultural subsidies, the export economy, the financial reorganization of the banking system, covering of foreign currency rate of exchange differences, certain foreign credits as well as foreign currency rate of exchange differences and interest rates for deposited foreign currency savings as regards obligations of the federation as a guarantor.

Next year more money is intended for a partial financing of the program for the protection of the population socially at risk and workers whose employment is no longer needed due to restructuring of the economy. It is believed that it will be possible to secure some money from abroad for these purposes as regards prominent social problems in certain parts of the country and weak capabilities of republics and provinces to secure more resources for these purposes.

Monetary policy can and must follow such developments; it has been adjusted to do so. Beside a monetary policy draft, the balance of payments and foreign currency policy drafts for next year have been drawn up as well. They are accurate, have been coordinated with other policies, and ensure that even in conditions where domestic currency has been devalued a new inflationary spiral will not be set in motion. Together with the measures such as the reduction of the basic commodity turnover tax by three percentage points, plus specific actions in the oil industry and gasoline prices area and also with regard to some import products, our view is that the implementation of these microeconomic policies can ensure that the inflation next year will range between 30 and 40 percent—it probably cannot be lower than 30 percent, but it can be handled so as to prevent it from exceeding 40 percent.

If these policies and expenditure and wages can be kept under control in the proposed manner an adjustment in the rate of exchange can be carried out, from the parity of one Deutsche mark to seven dinars to the parity of one deutschmark to nine dinars with inflation remaining below the aforementioned level. This rate of exchange change represents an optimum solution because it establishes a balance between the incentives for the exporters and the possibility of cushioning the blow to prices and thereby preserving their relative stability, that is to say that the real support for exports should be greater rather than that the prices should be disrupted. The FEC today adopted a decision whereby in 1991 the dinar will be tied to the DM at the one DM to nine dinar parity. The decision comes into force on 1 January 1991. We also think that in 1991 new processes can be secured in three basic segments.

First, a money and a capital market has to be set up. We have provided all the conditions for this. In this repsect the role of the monetary policy of the entire monetary sphere of the National Bank must be put on an entirely new basis. Selective credits have to be abolished with our going on an open market with the same or perhaps even bigger funds where the National Bank can buy securities in so doing deploying these funds in the direction of the best possible investments, which is indispensable.

Second, within the framework of Yugoslavia's balance of payments, economic subjects and banks should be allowed to incur debts abroad, of course against their guarantees, and not against Yugoslavia's guarantees, regardless of the fact of whether we are referring to the state of Yugoslavia or the Yugoslav National Bank.

Third—and we think this is the most important thing in all this—is that we should embark on the recovery program of our banking system. I could talk now at great length about it. It would take too much time but let me only say this. We have a picture. It was taken by our Social Accountancy Service together with experts from abroad, the well-known auditing firm Coopers, and the result is that this assessment, I would say, is the best review Yugoslavia has ever had in this area. Unfortunately, poor investments or losses, as I said last time, amount to 144 billion dinars. According to the current rate of exchange this is around $13 billion. One should add something that none of us must forget—Yugoslavia has a public debt, established by the foreign currency savings for our citizens which at one time was pro forma transferred to the Yugoslav National Bank, and from the Yugoslav National Bank into our country's budget. This is a claim of over $12 billion which has no countervalue in our resources.

To all this should be added the fact that our debt, as is known, is about $16 billion in convertible currencies, and together with the clearing debt, about $17 billion although we have now significantly reduced this clearing debt. We have also repurchased some of our convertible debts, so that we have reduced these commitments. The foreign debt, together with the internal one, is part of one and the same conjecture in which all these things will be happening in the coming year, in which we will have to repay abroad, including interest, $4.2 billion.

In such a situation, if we do not tackle the plan for the recovery of the entire banking system, then the principle holds that there is a chance of a weak bank becoming stronger on its own, it only becomes worse. Recovery of individual banks is an illusion and has proved impossible everywhere in the world. The wider the environment in which the change is carried out, the greater the number of banks included in the recovery program, the less painfull and expensive it is.

In this recovery it is not a question, contrary to what is believed, of the banks' bad investments being replaced by money; it is a question of a transaction which replaces the banks' bad investments with sound securities, on which the bank, if it places them on fixed deposit with the National Bank, and it must do so, can earn fixed interest. Thus, it is a question of servicing, of payment of interest, from a portion of assets where it is not currently possible. The agent sells what is of value from that bad bank investment, and [word indistinct] always finds in that bad investment what is of value, and this is the basic transaction whereby, in fact, recovery is carried out. According to estimates, in this way a basis can be created autonomously within a space of three years for the further recovery of the banking system without any support from the budget or the National Bank of Yugoslavia. We consider that without the recovery of the banking system it is an illusion to talk about the formation of a money and capital market, a reduction of interest rates is an illusion, and therefore it is also an illusion that we are capable of entering a process of new development.

This is why I have explained this in rather more detail. This is one of the key levers of economic policy in the coming year. To this should be added everything, all the other policies, that I discussed a short while ago. We believe that, in this respect, the new year can give us a new quality. We also believe that the launching of the

process of recovery in banking gives greater credibility to our society and our banking system as a whole in the world, and that we can hence count on greater support from abroad.

I can say that we have drawn up all these macroeconomic policies according to a model, that we know their expected effects, that we have held talks on them with the IMF, that these talks took place in Yugoslavia and in Washington, where Federal Secretary for Development Bozo Marendic and the people participating in drawing up this program were present. The IMF has given full support to our program, including the recovery of the banking system. It is prepared to support it. I have to say, as the managing director has said, that without the IMF we have no chance of obtaining funds from abroad, nor will we have access to the world capital market. The managing director has told us that we can publicly announce that they stand behind this program, that they are prepared to send a mission in January to agree with us all the elements for the signing of a new stand-by arrangement of $1 billion. This would in part include damages from Iraq. In addition we also have programs with the World Bank—Sal 2 and F Sal [as heard]—and, we have the third protocol with the EC which was approved since the IMF said that it is giving its prior approval of our program, but is still dependent on confirmation.

It is exceptionally important that we have here obtained credits that facilitate the completion of the construction of the highway from Jesenica to Gevgelija. Ours is the first case of a country receiving from the EC budget interest benefits of $85 billion.

In addition we are holding bilateral talks with Italy on a new memorandum, and with several other European countries, including EFTA [European Free Trade Association], from which we should get funds for the same purpose.

Next year, apart from building a new structure of private and mixed capital, which has already founded more than 50,000 new enterprises this year, next year, if our political circumstances calm down and the functioning of these macroeconomic policies which we are discussing is ensured, there could be more than 100,000 such enterprises. Another task should be the restructuring of the existing economy, particularly the part affected by the recovery of the banking system, and the part of the economy that is export oriented. The third task will be continuation of the construction of the communications network, with the help of the funds that we will have at our disposal for this purpose.

Currently, as a result of the talks that have taken place, somewhat more than $3 billion of such funds have been secured, for which agreements still have to be signed. The pursuit of these programs in our country is dependent on the agreements that have to be reached with the IMF and on the realization of the arrangements that are being made with them. We could have withdrawn more funds this year as well had there not been breaches in certain macroeconomic policies and hence a reduction in the accumulation of the economy.

However, to begin the process of new development, it is necessary, as I have said, to ensure above all domestic accumulation. The decline in production is the result of the poor structure of the economy and the elimination of production which cannot stand the test of the market, but also of excessive increases in pay and public spending, into which, instead of production, bank investments are channeled, whereby the unit costs of labor are increased and funds for development, as well as a part of depreciation, are devoured.

As for areas requiring special support, in the area of agriculture, to ensure the necessary competitiveness of producers in all forms of ownership in agriculture, in addition to other institutional solutions, there will be significant changes in the present system of incentives and protection measures for agricultural production. It is envisaged that the volume of funds for incentives in agriculture in the coming year amounts to more than 6 billion dinars, with the incentives from the federal budget being redirected from expenses to premiums payable directly to the producer for the final product. The premiums will primarily apply to livestock farming, which is also a condition for the activation and restructuring of overall agro-industrial production.

For the further development of economically underdeveloped regions, to raise their economic efficiency and, in particular, to change their economic structure, a fundamental transformation is needed of the current policy of encouraging their more rapid development, including the transformation of the federal fund for encouraging the development of economically underdeveloped regions and provinces, Kosovo. In this connection the policy of stimulation and its realization must be coordinated with the demands of the reform and the new economic system. Proceeding from this, the FEC has prepared a platform for establishing a policy of encouraging the development of the economically underdeveloped republics and provinces in the said period. Until the establishment of the newly constructed system in this area we have recommended the continuation of the application of the existing system. Clearly, this is one of the key isues that will also be the subject of the new agreement.

Esteemed delegates, the FEC considers that the dramatic situation in which the country finds itself calls for coordination of the macroeconomic policy and the budget for the coming year, which will facilitate the functioning of society and, at the same time, create the necessary conditions for the continuation and acceleration of negotiations on the organization of future relations in our community. If these prerequisites are not guaranteed, our society will find itself faced with complete chaos, which would inevitably call for the use of emergency measures, not excluding the most serious.

Precisely for this reason, the FEC, conscious of its responsibility for the situatin in the country, decided to address itself to this Assembly, the assemblies of the republics and provinces, and the entire Yugoslav public, with the presented assessment of the situation and urgent measures for overcoming it, on which it is necessary to achieve full agreement.

All organs of the republics and provinces and all federal organs, as well as all those in political posts individually, are indeed faced with a historic responsibility before the people for the character of the decisions they are about to make.

The FEC is prepared to bear its part of the tasks and responsibilities, and it believes that all other participants, in whose hands the country's fate lies, are equally prepared, above all this Assembly, the SFRY Presidency, and the relevant organs in the republics. The FEC is manifesting its readiness in the content of the policies and measures that it has proposed to you for the coming year, and I ask you to endorse them. Thank you.

Publication Law Approved

LD2812141890 Belgrade TANJUG Domestic Service in Serbo-Croatian 1225 GMT 28 Dec 90

[Text] Belgrade, 28 Dec (TANJUG)—The Federal Chamber of the SFRY Assembly today adopted a law on the foundations of the public information system, which fundamentally changes the situation in this sphere. According to the law, newspapers may be founded and published by any domestic physical and legal entities. Foreigners may not be founders of public newspapers, but they may invest funds in enterprises in this activity amounting to 49 percent of the capital value.

The law greatly enhances the responsibility of the chief and executive editor. If the program orientation of his newspaper is aimed at the destruction of the constitutional system or threatens the territorial integrity and independence of Yugoslavia, the editor in chief may be fined from 1,000 to 10,000 dinars, or receive a prison sentence of 60 days.

'Provisional' Spending Bill Passed

LD2912160790 Belgrade TANJUG Domestic Service in Serbo-Croatian 1452 GMT 29 Dec 90

[Text] Belgrade, 29 Dec (TANJUG)—The Federal Chamber of the Yugoslav Assembly adopted a law on provisional financing of the federation because agreement of the republics and provinces was not reached on the total volume of the federal budget for the coming year.

The law on provisional financing of the federation sets out an allocation from the Federal budget for the needs of the Yugoslav National Army in 1991 of a total sum of 70.851 billion dinars, and for the provisional financing of other federal functions and commitments the sum of 5.1473 billion dinars.

Presidency Statement on Economy, Political Future

LD2812160190 Belgrade TANJUG Domestic Service in Serbo-Croatian 1319 GMT 28 Dec 90

[Text] Belgrade, 28 Dec (TANJUG)—The SFRY Presidency held a session which the Federal Executive Council president and colleagues and all presidents of the presidencies of the republics and autonomous provinces, with the exception of the president of the Republic of Croatia, took part.

The SFRY Presidency was informed about the basic directions of the proposed economic policy for 1991. The introductory speech was made on behalf of the Federal Executive Council by President Ante Markovic.

The SFRY Presidency proceeded from the fact that it has already presented assessments on the realization of economic policy in the current year in its stances of 19 December, and has informed the Federal Executive Council and the public about this.

The SFRY Presidency assessed the proposed program for 1991 from the point of view of the need to ensure the basic stances presented at the Presidency session of 19 December, above all, the need to continue the struggle against inflation, while halting the further fall in production and maintaining the necessary balance in economic relations.

The discussion at the session of the SFRY Presidency was wide-ranging and constructive, with the aim of recognizing and finding the best and most widely acceptable solutions. The need was identified to correct and adjust the program according to the actual situation and the aforementioned demands, which must be realized.

Coordination and final decisions will take place in the SFRY Assembly.

At the session of the SFRY Presidency the proposal of the president of the republic of Serbia was adopted that all republics and autonomous provinces should settle their outstanding financial obligations to the federation (to the budget and the fund for the underdeveloped) in the order in which these obligations fell due and were not met.

All presidents of the republics and autonomous provinces agreed with this proposal, except for the president of the Republic of Slovenia, who, while not disputing the validity of such a proposal, said that he would inform the Assembly of the Republic of Slovenia, which is responsible for adopting such decisions.

It was also agreed that in the first half of January a session would be held of the SFRY Presidency and all presidents of the presidencies of the republics and autonomous provinces to discuss the political future of the country.

In the continuation of the session held today, the SFRY Presidency decided that this session would be held on 10 January 1991.

The SFRY Presidency also decided to appoint Bogic Bogicevic chairman of the Federal Council for the Protection of the Constitutional Order, the statement from the session of the SFRY Presidency says.

Presidency Says 3 Republics Oppose Markovic Plan

LD2812165690 Zagreb Domestic Service in Serbo-Croatian 1400 GMT 28 Dec 90

[Dusko Mandic report]

[Excerpt] [Mandic] The present uncertainty about the future of the country is present everywhere in the federal organs and likewise in the Yugoslav Assembly. However, most important today, in addition to what is happening in the Yugoslav Assembly, was the session of the SFRY Presidency, which was not attended by Dr. Janez Drnovsek, who telexed the Presidency to the effect that routine sessions no longer have any point, no more than do the emasculated official statements from these sessions; rather, what is needed are radical changes and effective moves.

At the actual session of the Presidency, as has filtered down to the rather better-informed journalists, the old divisions continued. Opposing the measures, albeit temporary until the final solution of the issue of the state, being currently taken by the Federal Government and its prime minister, Mr. Markovic, were, as expected, three federal units; and four supported Markovic's program and his measures, regardless of their desire that everything should acquire fundamentally more serious directions. In favor of Markovic's measures and the Federal Executive Council were Croatia, Macedonia, Slovenia, and Bosnia-Hercegovina, and against were Serbia, Montenegro, and Vojvodina. Kosovo is not mentioned anywhere.

It is also learned that Slobodan Milosevic directly called for Markovic's removal; that is, the resignation of his entire cabinet, but that he was outvoted. [passage omitted]

FEC Adopts 'Emergency' Income Law Amendments

LD2912190190 Belgrade TANJUG Domestic Service in Serbo-Croatian 1525 GMT 29 Dec 90

[Text] Belgrade, 29 Dec (TANJUG)—The Federal Executive Council [FEC] today adopted, in an emergency procedure, amendments and addenda to the Law on Incomes whereby the growth of incomes next year will be limited in most enterprises, except in those which are operating successfully and making a profit.

The incomes of those employed in the social sector and in monopoly companies will be frozen at the level of the average incomes for the September-November period. The only exception will be workers in education and health who will be able to have their incomes increased up to the level of the republican or provincial average.

Those collectives that will be able to increase the incomes of their workers will be required to pay into a business fund a part of this increase, or to give it to the workers in the form of shares.

Inflation Level Indicates 'Successful' Policy

LD2912223990 Belgrade TANJUG in English 1555 GMT 29 Dec 90

[Text] Belgrade Dec 29 (TANJUG)—Yugoslav Deputy Trade Minister Dr. Branko Maricic in talks with journalists today assessed that this year's inflation of 121.7 percent indicated that the anti-inflation policy in Yugoslavia was successful. This year recorded the lowest inflation rate in the past four years, especially compared to last year's price rise which reached 2,665 percent, Dr. Maricic explained.

The government official said inflation reached 121 percent due to the increase of the average monthly salaries and the insufficiently controlled growth of total spending.

Dr. Maricic forecasts that prices will rise up to six percent in January, caused by the around 30 percent devaluation of the dinar

The director of the Federal Statistical Office today in talks with journalists cleared up some dilemmas concerning this year's actual rate of inflation. According to the results of regular monitoring carried out betwen December 21, 1989 and December 21, 1990, the inflation in this period stood at 121.7 percent.

Federal Prime Minister Ante Markovic in yesterday's address mentioned a 75 percent inflation rate. This figure, however, referred to the calendar year, and did not include the carried over rate from the last ten-day period in December 1989.

Foreign Affairs Secretariat Spokesman Resigns

AU2912152290 Belgrade BORBA in Serbo-Croatian 24 Dec 90 p 1

[Z. Mandzuka report: "Ivo Vajgl Resigns"]

[Text] Ambassador Ivo Vajgl, spokesman for the Federal Secretariat for Foreign Affairs, has submitted his irrevocable resignation to a post which he has very successfully held in the last few years.

The resignation was, of course, a personal decision. It is therefore understandable that the ambassador himself is reluctant to speak about this. Both he and the others in the old building in Belgrade's Knez Milos street consider mention of this act to be "family business." However, even the dimmest recollection of Vajgl's last "regular conference" held on 25 October reveals the force of the clash between Yugoslav and other "parallel diplomatic services." At that time, despite all his diplomatic skill, even the spokesman himself had to admit that he did not have satisfactory answers to questions on, for example, the visit by an Israeli minister to Serbia, the opening of

a Slovene (which this republic calls diplomatic) representative office in Brussels, or the visit to Athens of a republican (Serbian) minister for foreign affairs....

These three events were the straw that broke the camel's back for Ivo Vajgl. The question is whether this also applies to the institution that he belongs to, which has in the last few months in particular been faced with frequent, and now already regular, visits by one or another representative of one or another country.

Ambassador Vajgl has a right to resign, even though one perhaps does not have to agree with his reasons or to respect them. However, this does not by any means justify the long, already month-long, silence of the federal secretariat, which will nevertheless have to move away from quoting news from the world which calls us to follow reason and which reminds us that it only accepts us as a whole.

Former Officials Attend Communists' Conference

AU2912162290 Belgrade POLITIKA in Serbo-Croatian 25 Dec 90 p 1

[TANJUG report: "The Basic Message, Peoples of Yugoslavia, Unite"]

[Text] Peoples of Yugoslavia, unite—this was the main programmatic message that began the first conference of the League of Communists-Movement for Yugoslavia yesterday in the Sava center in Belgrade. Around 400 delegates participated in the work of the conference, which was also attended by Lazar Mojsov, Milan Pancevski, Dr. Mirjana Markovic, Blagoje Adzic, Branko Mamula, Stevan Mirkovic, and Danica Milosavljevic.

After singing the anthem "Hey Slavs" and in addition to the agenda, one of the conference delegates proposed that, as regards the plebiscite in Slovenia, the delegates should call on the people of this republic "to remain in Yugoslavia." It was also decided that a delegation of participants in this meeting should lay a wreath at the tomb of Josip Broz Tito.

Later on at the conference, Milivoje Tomasevic recalled the circumstances in which the League of Communists-Movement for Yugoslavia arose, stressing that this party grew out of Yugoslav patriotism. According to him, since the promotional meeting which was held on 19 November, almost 100,000 people have joined the League of Communists-Movement for Yugoslavia.

Applause greeted his comment that the Organization of the League of Communists of Yugoslavia in the Yugoslav People's Army had become a collective member of the League of Communists-Movement for Yugoslavia, as well as the assessment that Yugoslavia is now not being defended only on its borders but also by resisting separatist, nationalist, and destructive tendencies. While, in order to protect personal power, certain republican leaderships are passing acts on secession, the people are coming out in favor of Yugoslavia, Tomasevic said and specified that reports were reaching the League of Communists-Movement for Yugoslavia every day about the founding of another 15 to 20 new committees.

As he said, according to the latest figures, more than 300 regional, communal, and local committees of the League of Communists-Movement for Yugoslavia had already been set up—35 in Macedonia, 130 in Serbia (15 in Kosovo and 25 in Serbia), 60 in Bosnia-Hercegovina, 60 in Croatia, and 10 in Slovenia.

"Comrades from the League of Communists of Montenegro and the Socialist Party of Croatia are here with us," Tomasevic stressed, assessing that the League of Communists-Movement for Yugoslavia was "the most Yugoslav political organization and definitely the one most rooted in the national identity of Yugoslavs."

Government's Media Plans Outlined, Viewed

AU3012190590 Belgrade BORBA in Serbo-Croatian 12 Dec 90 p 1

[J. Kesic report: "Support for Federal Media"]

[Text] Belgrade—Darko Marin, secretary of the Federal Information Secretariat of the Federal Executive Council, has briefed delegates in the Budget Committee on the transformation that is under way in all federal media. He said that all parts of the media have been transformed into social enterprises and that the aim was for them to become enterprises with mixed capital, to be Yugoslav-oriented, and not to be under the influence of parties.

According to Marin, the Yugoslav agency, TANJUG, is preparing for radical transformations. The number of foreign correspondents has been reduced from 48 to 36, there will be a move toward maximum economizing in relation to the PULL [expansion unknown] of the nonaligned countries, and some programs will be scrapped which are not profitable, while other economical ones will be set up.

BORBA must become a modern Yugoslav newspaper which will above all offer all relevant arguments and facts from the whole country and have a recognizable stance in its commentaries. Conditions should be gradually created for BORBA to begin to be published in the languages of the peoples of Yugoslavia because it cannot be a Yugoslav paper in any other way. An English-language newspaper should also be launched as soon as possible in connection with TANJUG which will objectively inform the world of events in our country.

Radio Yugoslavia should begin to broadcast news every day for the country as well. Talks have already been held on broadcasting these programs with the radio stations in the republics so that they take over these programs on the medium wave.

Marin devoted most attention to the most controversial Yutel. "The question of defending Yutel is a question of the defense of the constitutional right of citizens to be

objectively informed, and we therefore expect the SFRY Assembly to also advocate that this constitutional right be exercised."

Speaking about the equally as controversial property and finances of Yutel, Marin said: "Yugoslav Television has equipment owned by the state of Yugoslavia to the value of 120 million dinars and premises on Marx and Engels Square which are also registered as the property of the state of Yugoslavia. As the founder, Radio Yugoslavia has invested 15,000 dinars in Yutel and the federal government has invested 3.6 million dinars in it from its reserves. Part of the funding was also provided from this year's readjusted federal budget and from budgetary reserves. Yutel has all the permits for the use of transmitters on Mount Avala and Iriski Venac which are necessary for temporary functioning according to federal law. There has only been a slight delay in obtaining them.

After this discussion, the delegates also watched several video tapes of Yutel programs because it was assumed that they could not see them in their own homes. If they have to make a decision on something then they should at least know what it involves.

Krsko Plant on 'Earthquake-Sensitive' Ground

AU3012185590 Belgrade POLITIKA in Serbo-Croatian 13 Dec 90 p 9

[TANJUG report: "'Krsko' Built in Earthquake-Sensitive Area"]

[Text] Ljubljana, 12 Dec—The "Krsko" nuclear power plant has been built in a risky, earthquake-sensitive region. According to the claims of Professor Stanko Buser from Ljubljana which were presented at today's session of the commission of the Assembly of the Republic of Slovenia for investigating the circumstances surrounding the construction of "Krsko," a so-called seismic fracture [prelomnica] stretches only 700 meters away from "Krsko." If it were to move, Buser says, it could seriously undermine the power plant which, as he particularly stressed, "is a political construction whose foundation stone was laid before the ground was investigated or any vital geological finding was given."

Dr. Buser also offered his scientific-investigative indicators for experts to look at, repeating his conviction that "considering the seismological uncertainty of the area, the power plant itself cannot be totally secure either." As one of the more reliable indicators of the instability of the ground, he cited the visible changes in the flow of the Sava River in this area.

The Executive Council of the Assembly of the Republic of Slovenia has accepted the initiative of Professor Stanko Buser for a special commission to be set up to examine the seismological safety of the "Krsko" nuclear power plant. The commission will also seek an answer to the question of whether all geological conditions were investigated in sufficient detail during preparations for and the beginning of construction of the power plant.

Government Denies Army 'Intimidation' in Croatia

LD2912012590 Belgrade TANJUG in English 1807 GMT 28 Dec 90

[Text] Belgrade, December 28 (TANJUG)—The Yugoslav Federal Government today stated that Yugoslav People's Army units had not been engaged in any part of the Republic of Croatia in any activities aimed at intimidating the population.

In reply to a question raised in the federal parliament about who had ordered allegedly demonstrative military activities, aimed at intimidating the population, to be carried out in some garrisons in Croatia in October, the Federal Government set out that Yugoslav People's Army units were at the time engaged in exercises "as part of the (?regular) training within preparations for the country's defense" on all the territory of Yugoslavia.

In reply sent to the (?Croatian) parliament today, the Federal Government specified that Yugoslav People's Army units had only done what was their duty under the Constitution and other laws.

The Federal Government qualified as ill-intentioned and untrue the allegations that the purpose of the activities was intimidation and demonstration of military force.

Tudjman Urges 'All Attributes of Sovereignty'

LD2912192790 Belgrade TANJUG in English 1733 GMT 29 Dec 90

[Text] Klanjec, Yugoslavia, December 29 (TANJUG)—Croatian President Franjo Tudjman said on Saturday that a new community of Yugoslav peoples should secure all attributes of sovereignty to the Republic of Croatia, including an army.

Speaking at a celebration of the 155th anniversary of the Croatian anthem in the central Croatian town of Klanjec, Tudjman said that the republic could not reconcile itself to the existing federation, especially not to the concept of federation as proposed by Belgrade.

The republics of Slovenia and Croatia insist on independence, while Serbia and Montenegro urge a Yugoslav federation.

Tudjman announced that Croatia would launch talks with other Yugoslav peoples and republics on a new agreement on the country's state system.

Croatian Assembly on Financing Political Parties

AU2712152790 Zagreb VJESNIK in Serbo-Croatian 8 Dec 90 p 2

[Unattributed report: "How Money Is Going To Be Shared"]

[Excerpt] All political parties that have their representatives in the assembly will receive money for their political activities. One part of the budgetary funds, 25

percent of the total amount (calculated as three percent of gross incomes of workers and officials in the republican administration), will be shared equally among all parties, regardless of their political strength. The other part, a variable part, will be shared according to the number of assembly seats won by different parties.

The Number of Mandates Determines the Amount of Money

This was decided by assembly deputies after sharp polemics, which were full of unrestrained statements and mutual accusations which turned to real confusion in some chambers toward the end. The disagreements arose over the proposal of the Committee for Political System that the money be divided exclusively according to the number of mandates. This proposal was sharply opposed by the members of the left bloc, whose interests are not affected by it but they feel that this proposal would lead to small parties ceasing to exist. [passage omitted]

'Croatian Union of Trade Unions' Established

LD2912202890 Belgrade TANJUG Domestic Service in Serbo-Croatian 1614 GMT 29 Dec 90

[Summary] Zagreb, 29 Dec (TANJUG)—The Croatian Union of Trade Unions [Hrvatska Unija Sindikata—HUS], which will base its operations on European trade union standards, was founded at the first Croatian trade unions meeting in Zagreb today. According to its program charter, which was adopted today, the HUS will be an active participant in the transformation of the economic and social structure in Croatia. Hence the HUS will support the Croatian Government in its efforts to implement the transformation, but at the same time it will be its strong opposition when rights and interests of the HUS membership and all employed people should be protected.

Slovenia's Peterle Views Independence Plebiscite

LD2912235290 Belgrade TANJUG Domestic Service in Serbo-Croatian 1115 GMT 29 Dec 90

[Text] Ljubljana, 29 Dec (TANJUG)—DELO of Ljubljana carries in its New Year's supplement a long interview with Slovene Prime Minister Lojze Peterle, who spoke about his talks with Markovic, the period after the plebiscite in Slovenia, and other current issues.

According to Peterle, Markovic left an impression during their talks on Wednesday of being much more realistic than before, when, Peterle maintains, "he used too many unchecked presumptions." He spoke in a realistic way and his features did not seem as optimistic as before. He took into consideration the real situation, Peterle holds, although he spoke, i.e. warned, of a dictatorship, bloody events unless a minimal volume of functioning of the Federation is agreed upon. "He was sufficiently open and did not put forward any categorical demands," Peterle added.

Reacting to a statement that, in a way, it would be better for Slovenia if Markovic resigned, Peterle said that it would be difficult to agree with such a statement. "In this transitory period," Peterle maintains, "it would be very difficult to find another person on whom we could reach a political consensus. I believe that Markovic can be the best bankruptcy director. Yugoslavia is fast disintegrating, and all that has remained of it it is now being plundered." To this conclusion, Peterle said, Markovic stated that an unarmed robbery is taking place. It seems, Peterle believes, that an uncontrolled issuing of money has occurred which annuls all efforts being invested against the inflation. We shall try to provide evidence on that. If Serbia really prints money, then it is an attack on Yugoslavia as a whole. In that case, Peterle says, Slovenia will have to protect itself with its own currency. Serbia has spent the money that it earned from sales taxes and customs duties. Slovenia still possesses the withheld money, and it will be given to the federation only if Serbia does so first, because Serbia started withholding money a month and half before Slovenia. However, Serbia will not be able to return it to the federation because it has evidently exhausted its banks completely, Peterle said.

Speaking about first measures that Slovenia will take in the months following the plebiscite, Lojze Peterle said that the first priority is the creation of a new tax system, which is one of the main bases for Slovenia's new economy. The republican budget will be announced in the middle of January, Peterle said. Basically it has been prepared in two different types—with a higher and lower degree of Yugoslavia incorporated in it, and now on this basis the third form will be prepared, in accordance with events to take place in the last days of this year.

Peterle also holds that Slovene currency is a likely option which can be introduced rather soon, and it will be tied to the German mark or ECU. Among important tasks is the reorganization of the banking system for which purpose the government will invite an eminent banking expert, De Huan [name as received], while Boris Pleskovic, who is to return from the World Bank, will overtake certain tasks in connection with foreign credits and will work in Peterle's cabinet.

Commenting on proposals for a government of national unity [vlada narodnog jedinstva], Peterle said that the present government is already a kind of crisis headquarters, but it is not a government of Demos only. Actually, it is a government of the Assembly which supported it by a large majority of its votes and is trying to be a government of the Republic of Slovenia. Initially the government was against the plebiscite, because, Peterle says, it believed that it was possible to resolve the problem by the adoption of a new constitution by the end of the year. The government supported the plebiscite only when it became obvious that the constitution will not be adopted.

Recently Peterle has made many public appearances together with Kucan and Bucar, and consequently some people spoke about "The Three Saint Kings" [tri sveta kralja]. "Our cooperation is very good, although it is not a family enterprise," Peterle said. However, Peterle

concluded, it is important that as far as key political issues are concerned we are unanimous and without much coordination we make our public appearances in a uniform way. Slovenia has developed a certain type of triple government [trovlasce] which has been developed neither in Croatia nor in Serbia, and which is doubtlessly suitable to and very positive for Slovenia, Peterle said.

Macedonia's Tupurkovsky on Slovene Plebiscite

LD2912223590 Belgrade TANJUG in English 1846 GMT 29 Dec 90

[Text] Skopje, Dec 29 (TANJUG)—Member of the Yugoslav State Presidency from the Republic of Macedonia Dr. Vasil Tupurkovski said in Skopje today that the plebscite in the Republic of Slovenia, at which the majority of the population voted in favor of the republic's sovereignty and independence, was uncontestable.

In a Radio Skopje contact-program, Tupurkovski spoke about the possibilities of resolving the Yugoslav crisis.

Tupurkovski said he was impressed by the compactness and firm orientation of the Slovenians to show to Yugoslavia and the world the people's decision for sovereignty and an independent state.

According to Tupurkovski, this is an act of realizing one of the most important natural rights of every people to self-determination up to secession.

The Slovenian plebiscite caused numerous comments and was even sharply disputed, particularly in Yugoslavia's biggest republic of Serbia. The Constitutional Court of Yugoslavia even discussed the constitutionality of the Slovenian plebiscite.

Kosovo Opposition Heads Cited on Albania, Serbia

LD2812211590 Belgrade TANJUG in English 1900 GMT 28 Dec 90

[Text] Pristina, December 28 (TANJUG)—The Democratic Alliance of Kosovo leader Ibrahim Rugova told a news conference in Pristina on Friday that his party, which rallies ethnic Albanians in the Province of Kosovo which is part of the Republic of Serbia, supports the processes of democratization in Albania and would like them to be implemented peacefully.

Rugova said that the Democratic Alliance of Kosovo supported the forming of the first Albanian opposition party—the Democratic Party of Albania. He said that it would be an important factor in the democratization of the country and a constant opposition to the Communist Party in power even if it does not win in the elections on February 10.

On Yugoslavia, Rugova reiterated the ethnic Albanians' old demands—restoring of the provincial parliament and other organs of power and lifting of the ban on the Albanian-language daily RILINDIJA.

Rugova said that the police stepped up repressive measures in Kosovo after the victory of Slobodan Milosevic and his Socialist Party of Serbia in the first post-war multi-party elections in the republic.

Another Democratic Alliance of Kosovo leader Fehmi Agani told the news conference that the five ethnic Albanians elected to the republican assembly as candidates of the Socialist Party of Serbia, do not represent ethnic Albanians, "but those whom they serve and those by whom they have been elected."

Recalling that the ethnic Albanians boycotted the elections in Serbia, Agani told journalists that only 12 percent of the Kosovo electorate voted in the second round in which 30 deputies were elected to the 250-seat republican assembly.

Jovic Accuses Kosovo Academicians on Secession

LD2812223990 Belgrade TANJUG in English 2148 GMT 28 Dec 90

[Text] Belgrade, December 28 (TANJUG)—Yugoslav State Presidency President Borisav Jovic on Friday accused ethnic Albanian academicians of "maintaining the orthodox position of the Albanian separatist movement" and being the "intellectual headquarters of Kosovo's secession from Serbia and Yugoslavia."

In a sharp reply to a letter from the Kosovo Academy of Arts and Sciences presidency, Jovic—Serbia's representative in the eight-man Yugoslav State Presidency—said that the academy was directly involved in toppling Yugoslavia's constitutional order.

Jovic said that he arrived at these conclusions from the academicians' insistence on the legitimacy of the acts adopted by ethnic Albanian deputies last summer when they proclaimed the Province of Kosovo a republic.

The academicians also said that Serbian organs in Kosovo were taking repressive measures against ethnic Albanians and asked for the lifting of Serbian decisions on the suspension of the Kosovo Assembly and government, which were implemented after the proclamation of Kosovo a republic.

In his reply, Jovic said that ethnic Albanians were not a nation and made up only 14 percent of Serbia's population and thus could not have the legitimate right of deciding about the status, legal and legitimate position and constitutional order in any part of Serbia and Yugoslavia.

He said that they could do this only by equal participation, with others, in the work of Serbian organs but have failed to do this by accepting the separatists' call to boycott the multi-party elections in Serbia.

Describing all the ethnic Albanian (?academicians') claims as "biased and absolutely malicious," Jovic criticized them for never condemning the genocide against

Serbs and Montenegrins in Kosovo carried out by Albanian separatists and the flagrant violations of human rights (?and freedoms) in Albania.

Disputing the claims about abuses of authority by the security organs in Kosovo, Jovic recalled that ten policemen were killed, 37 wounded and 941 injured since the Albanian separatists' riots first began in 1981 and until September 1990.

In his reply, Jovic underscored that Albanian separatism in Kosovo, Serbia and Yugoslavia would not be endured and that Serbian and federal organs would do everything within their constitutional rights and duties to prevent such activities and that the Kosovo Academy of Arts and Sciences should not have any illusions about this.

Academician Reacts to Jovic

LD3012102590 Zagreb Domestic Service in Serbo-Croatian 2100 GMT 29 Dec 90

[Text] Following yesterday's letter of reply sent by SFRY Presidency President Borisav Jovic to the Kosovo Academy of Arts and Sciences, one of the most influential Kosovo academicians, Redzep Cosja, stressed today that Jovic condemns ethnic Albanian academicians for calling ethnic Albanians in Yugoslavia a nation. Jovic ignores the fact that there are as many Albanians living in Yugoslavia as in Albania, and more than the inhabitants of some state-making nations in Yugoslavia. Jovic also fails to say according to which criteria approximately 500,000 to 600,000 Serbs living in Croatia are called a nation, while 3 million Albanians in Yugoslavia a minority, i.e. a nationality.

In his reply to the ethnic Albanian academicians, Jovic said that Kosovo is Serbian territory, and hence it is impossible to form yet another Albanian state in Kosovo. Cosja says that Jovic ignores the fact that according to international law, territory belongs to those who inhabit it.

Croatian Defense Minister Spegelj Interviewed

AU3012143190 Zagreb DANAS in Serbo-Croatian 11 Dec 90 pp 7-11

[Report on interview with Croat National Defense Minister Martin Spegelj by Jelena Lovric and Mladen Maloca; place and date not given: "Hastily Issued Threats"]

[Excerpts] Although he has only recently been appointed the minister of national defense of Croatia, Colonel General Martin Spegelj is not a novice when it comes to the Army. Having gained extensive experience in prominent and influential posts, Spegelj was the commander of the Fifth Military District before he retired. However, whether because he could not keep silent, or because he could not see himself as a pensioner while history was in the making, Spegelj first reacted publicly to what was happening in the veterans' organization. Shortly after that he found himself in the position of defense minister in the new Croatian Government.

[DANAS] The interview with Federal National Defense Minister Veljko Kadijevic has caused a lot of fuss and general anxiety in the public concerning the Army's intentions. Who do you, as the minister of national defense of Croatia, think his threats were addressed to?

[Spegelj] He has caused a lot of fuss and smoke, but I would not treat this at all nonchalantly. Those who are in a position to make a decision on the disarmament of the territorial defense and carry it out without having the constitutional and legal right to do so can also make other very hasty decisions. This is a reason for concern. It is difficult for me to say to whom those threats were addressed, because what General Kadijevic and a section of the military-political leadership advocate is no longer acceptable to any Yugoslav republic or province, except some political parties which—and one can now claim this with certainty—are on the very edge of the democratic processes in the country. Therefore, it appears that the threats were addressed to all those who are disobedient with regard to bolshevism and unitarianism. I am sorry that I have to say it, but as a minister I bear these threats in mind.

[DANAS] Beside its threatening tone, in the sense of "all armed formations will be disarmed," or "there will be no haggling and compromises," the interview, it appears, is also characterized by the overstepping authority.

[Spegelj] There are, among other things, the instances of authority being absolutely exceeded, in an unprecedented way! However, there are also some serious but rather unclear messages. There is no doubt that gangs that are erecting barricades will be disarmed, there will indeed be no "haggling" about that, but this is the task of the internal affairs service. If Kadijevic and his irresponsible generals refer to the territorial defense of the republics, or the active and reserve police units—as far as I know—there will be no haggling about this either. This fact has to be taken very seriously. However, authority has already been overstepped—by Kadijevic, Brovet, and Mamula—and responsibility for this now has to be borne.

[DANAS] You are probably referring to the recent statement of Admiral Mamula at a news conference in London when he said that the confederation which Slovenia and Croatia propose is not acceptable, because "creating national states of Serbs or Croats is impossible without bloodshed, or even with it." How do you, in the context of a possible denouement in Yugoslavia, interpret his assertion, also made in London, namely that the Army is ready to defend the integrity of and fight for the survival of Yugoslavia as a federal state?

[Spegelj] A possible answer is very short: this is an inappropriate and dangerous statement. If Admiral Mamula really said what was reported in our country, than this is a precedent in the sense of falsely representing the Armed Forces. This is a deliberate and direct violation of the law and the Constitution. What did Mamula mean when he said that Yugoslavia will be able

to control the situation within its borders, even if it has to resort to repressive measures, including military force? This can only be a warning: do not interfere in Yugoslavia's controversies, we will resolve them ourselves with the Army. I do not know with which army since Admiral Mamula does not have an army. The commander of the Army is the SFRY Presidency. If his opinion is not an isolated opinion—and there are some signs that it is not, especially after the founding of the new-old Army party—than it should be taken very seriously and should be discussed in the appropriate places as soon as possible. I hope that the SFRY Presidency, the government, and the SFRY Assembly will raise the question of the responsibility of those who treat the Army as if it were their own property and assign it such an evil role.

[DANAS] There is a great deal of similarity between the assessments made by retired military persons and those made by Veljko Kadijevic on behalf of the active Armed Forces. He said in Nis that the Army will not allow a fratricidal war or the alterations of borders. What is your view about this?

[Spegelj] A firm statement that the Army will not allow a fratricidal war is extremely patriotic, but why is that needed? Who would want, who would benefit, and why would anybody today wage a fratricidal war in Yugoslav at all? A war is on my mind only when I hear statements of some completely irresponsible and psychopathic people. However, if one thinks seriously about even the questionably constructive statements and intentions of some politicians, one can still see possibilities for resolving everything through peaceful negotiations and agreements. I have reason to believe that we are not talking about the prevention of a fratricidal war, because certain commands and units of the Yugoslav People's Army act in a completely different way in places where the rule of law does not function, where barricades are being erected and railroads mined.

Federal Secretary Kadijevic does not have the right at all to issue either the threats that all means will be used to prevent the decentralization of Yugoslavia, or the statements which refer to the political denouement of the Yugoslav crisis. He is not allowed to do this by both the Constitution and the laws on national defense. Only the SFRY Presidency may have the right to use the Armed Forces in certain circumstances. Therefore, it is possible that General Kadijevic and Admiral Mamula have seriously violated the SFRY Constitution and the Law on National Defense, and this should be looked into. Another question is also whether they can make such statements on their own behalf considering the delicateness of the military organization, which is a Yugoslav organization and as such belongs to all Yugoslav peoples and nationalities.

[DANAS] How do you interpret the fact that almost identical assessments have been made by the Soviet defense minister, Marshal Yazov, concerning the Soviet Union?

[Spegelj] Perhaps some people think that this was synchronized. In the past there were stories about attempts to "synchronize" with somebody else. I think that we are talking about the spontaneity of the last moves in an attempt to protect the collapsing bolshevism with military means.

[DANAS] Do you think that the entire military leadership shares Kadijevic's views or only some sections of the Army structure?

[Spegelj] I would not want to guess who else supports Kadijevic's views. I believe in the force of democratic options in the Yugoslav People's Army and its leadership. [passage omitted]

[DANAS] You recently said that a military coup is not possible. Could you explain this considering that it is obvious that in some very important places there are people who have not abandoned such plans?

[Spegelj] I am convinced that a military coup is not possible. According to my calculations, for some time, for years, the balance of power has not been such that it would facilitate a military coup or any other coup because this would be a short lived but fierce clash after which we would have to take the same path that we are currently pursuing. Besides, a democratic spirit is, after all, widely present in the Armed Forces and an illusion that this is not the case could be costly for some. The officer cadre is very heterogeneous as regards national interests and politics. Without some major changes, which I find difficult to imagine, such an organization cannot be turned against the will of any peoples of Yugoslavia. However, it is one thing to draw conclusions from an analysis of the balance of power in the country that a coup would not resolve anything, and another thing for someone, by erroneously interpreting this argument, to conclude that he could benefit from this. [passage omitted]

[DANAS] What are relations with the military leadership like at present? The situation has been quite tense after the elections, but then Mr. Tudjman unexpectedly highly praised the Army in Jastrebarsko.

[Spegelj] These relations oscillate, as they do in our economic and political life. I can say that President Tudjman is happy when he knows that the Army has more realistic attitudes toward democratic processes in Croatia and, of course, in Yugoslavia. [passage omitted]

[DANAS] During the adoption of the draft constitution in the republican Assembly, which envisages the creation of the republican armed forces, it was observed that one should estimate the cost of such an Army. Have you made any calculations?

[Spegelj] I think that it is too early to talk about costs. In any case, these costs would not amount to 4.7 percent of the social product like now, they would certainly have to be lower, perhaps half of that because this would, in my opinion, correspond more to our needs and possibilities.

One must bear in mind the fact that our combat-technical resources are huge, enormous.

[DANAS] But, because of its geostrategic position, Croatia has borders that are difficult to defend?

[Spegelj] Croatia has only two neighbors [as published] which is considerably fewer than Yugoslavia, which has seven of them. We do not envisage any disputes with either of them in the foreseeable future. On the contrary, what is happening in Europe—that is, integration on the one hand, and national and state recognition on the other—suits the complete opening up of borders rather than disputes over them. [passage omitted]

[DANAS] According to some reports, an attempt is being made to fill the gap caused by the absence of the republican Army by increasing militia forces?

[Spegelj] No, the present expansion of the regular and reserve police units is only the consequence of great shortages in terms of both staff and structure. [passage omitted] The reserve part of the militia has been particularly neglected and therefore we devoted special attention to it. This confused and alarmed some people when really it should have calmed them down because these units have already become sizable elite units. Of course, the Ministry for Internal Affairs knows much more about that.

[DANAS] Does this mean then that I cannot ask you about the claims according to which the Croatian authorities did not intervene in Knin because they did not have anything to intervene with?

[Spegelj] No, this is not correct at all. Intervention was possible and could have been instant, it could have been carried out in seven days time, or in a month. It was possible to intervene at any time. However, the decision of the government and the Presidency had always been to avoid confrontations and victims, and that this was the most important thing. [passage omitted]

Serbia Refuses Repeal of Verbal Offense Law

LD2912031690 Belgrade TANJUG in English 2357 GMT 28 Dec 90

[Text] Belgrade, December 28 (TANJUG)—Serbia's parliament deputies today turned down their republic's government proposal to repeal a recently passed penal code article qualified by public opinion as reintroducing the so-called verbal offence (assault).

The disputed article of law provides punishment for anyone publicly exposing to ridicule either the State of Serbia or other members of the Yugoslav Federation, their symbols or their representatives.

In fact, the Serbian parliament deputies entrusted their republic's new-session parliament with amendments to the penal code when it becomes constituted in mid-January next on the basis of the recent first postwar multiparty elections at which the two-thirds majority was won by the so-far ruling Socialist Party of Serbia.

That the said article be dropped out was asked, before the government did so, by the opposition parties, lawyers, university professors and artists.

Izetbegovic Admits Holding Talks With Milosevic

AU2912155390 Belgrade BORBA in Serbo-Croatian 27 Dec 90 p 1

[TANJUG report: "Unknown Talks Between Izetbegovic and Milosevic"]

[Text] Sarajevo—Alija Izetbegovic, president of the Party of Democratic Action, yesterday informed journalists that he recently had an hour-long meeting and talks with Republic of Serbia President Slobodan Milosevic.

On that occasion—as Izetbegovic announced at the news conference—views were exchanged on the attitudes of the Muslim and Serbian peoples to the current political situation in our country.

As regards some comments concerning his attendance at the session of the Assembly of the Republic of Croatia in his capacity as president of the Presidency of the Socialist Republic of Bosnia-Hercegovina, Alija Izetbegovic stressed that this involved a courtesy visit and that the leaders of the republics should and must talk and meet with each other because only through talks can they get to know and understand each other better, as well as put forward their view of affairs, as was the case recently with Mr. Milosevic, president of the Republic of Serbia.

Asked about the appropriateness of the leader of the Serbian Democratic Party of Bosnia-Hercegovina sending telegrams on the occasion of the setting up of the so-called Serbian region [krajina], Izetbegovic said that telegrams were being sent to legal organs, but that this case was not a reason for nor a hindrance to cooperation with the Serbian Democratic Party of Bosnia-Hercegovina.

Composition of Montenegrin Assembly Announced

AU2812143090 Belgrade BORBA in Serbo-Croatian 27 Dec 90 p 1

[("S.V.")-signed report: "Solemn Vows and Division of Functions"]

[Excerpt] Titograd—In the first multiparty elections—held between 9 and 23 December in two rounds of voting—the people of Montenegro arrived at a final decision very quickly, after only 15 days. The one-house parliament has 125 deputies of whom 83 are from the ranks of the League of Communists, 17 from the Alliance of Reform Forces, 13 from the Democratic Coalition, and 12 from the People's Party. [passage omitted]